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NOTE REGARDING NEXT STEPS AND IMPLEMENTATION

This Service Efficiency Study provides advice and recommendations to the City Manager and was conducted in consultation with the Division. The Study identifies actions and directions that could result in more efficient and effective service delivery, organizational and operational arrangements and associated savings.

The City Manager will work closely with senior management to determine which of the actions are feasible and can be implemented, implementation methods and timeframe and estimated savings. In some cases, further study may be required; in other cases the actions may not be deemed feasible.

Implementation will be conducted using various methods and may be reported through annual operating budget processes or in a report to Council or an applicable Board, where specific authorities are necessary. In all cases, implementation will comply with collective agreements, human resource policies and legal obligations.

Preliminary estimated savings have been identified in the study by year where possible. In some cases savings have been included in the 2012 budget submission. Achievement of these savings is highly dependent on the viability of these actions as determined by senior management, timeframes, and other implementation considerations.

The Corporation of the City of Toronto

**Service Efficiency Study
Toronto Parks, Forestry & Recreation Division**

FINAL REPORT



March 2012

Submitted by:



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EXECUTIVE SUMMARY

The purpose of the Parks, Forestry & Recreation Division (PF&R) Service Efficiency Study (SES) is to support the City's efforts to ensure the cost-effectiveness of services (e.g., services are not costing more than they should) and general process efficiencies. By taking a closer look at the services offered, this SES will assist the Division and the City to identify and obtain a set of achievable recommendations directed at delivering maximum service efficiency savings in the shortest period of time.

The key steps to assess service efficiency as part of the SES included:

- Identifying and assessing costs and cost drivers of current practices;
- Reviewing and assessing services, activities and methods;
- Comparing against service providers in other jurisdictions using comparable and relevant best practices;
- Analysing and comparing service benchmarks and measures, and
- Assessing against other relevant information.

The specific goals for the assignment included:

- Identify and make recommendation on the range of options for alternative service delivery models, including their pros, cons, and implications.
- Identify and document service delivery models used in other comparable jurisdictions.
- Identify any service efficiency gains that could result from implementing alternative models.
- Examine documents and approaches that have been used in past efforts to pursue alternative service delivery models and provide recommendations on how to make future efforts more viable, i.e., what are the necessary conditions for private sector interest and involvement in the management and operations of such assets.
- Provide advice on the criteria currently used in PF&R to assess community centre viability and continued operation.
- Provide advice on the most effective delivery and planning model to determine the best balance of recreation services offered.

The scope of the study focused on two major service areas – Parks and Community Recreation. Particularly, these areas included:

- Golf Courses,
- Ski Hills,
- Farms/zoos (excluding Toronto Zoo),
- Community Centres,
- Parks Maintenance, and
- Recreation Service Planning.

The outcome of the study includes recommendations on alternative service models for each area noted above (where and as appropriate) that are efficient and effective without severely compromising service quality or continuity in support of the PF&R mission and mandate.

The consulting team of DPRA Canada Inc. and LeisurePlan International Inc. were retained in late October 2011 to work collaboratively with the City and PF&R on the SES.

The study consisted of the following tasks:

- Orientation meeting;
- Review of relevant studies and background information;
- Key informant interviews;
- Site visits;
- Informal focus group discussions with key management and select union staff, were conducted during site visits;
- Two working sessions with PF&R Executive staff to discuss study progress and preliminary findings; and
- Documenting the study (final report).

This report documents both the study process and study results based on a limited scope and timeline: this is not an in-depth comprehensive assessment. The observations, findings and recommendations are approximations and meant to guide PF&R to complete further evaluations.

The calculations and numbers presented in this report are based on the information and documentation provided to the DPRA consulting team during the SES. Limited data was available and accessible for this assignment, however staff provided what was possible. Hence, some of the analysis is limited and requires further assessment upon the collection of quantitative information by the City.

Key Findings and Recommendations

The following is a summary of the key findings and recommendations emerging from the SES. The following observations, considerations and recommendations are cognizant of the efforts and commitment of PF&R related efficient and effective operations, pride in what they deliver and how they serve residents of Toronto.

In total, 33 recommendations are provided and the comprehensive justification for the recommendations is detailed extensively in Sections 4 and 5 of the SES report.

RECOMMENDATION 1 – Pilot assessment of “commercial operational model” for golf operations. The City should consider running golf courses based on a “commercial operational model” as opposed to the public service model. A pilot case should be established at one of the better performing courses such as Don Valley. This could include taking back food and beverage and pro shop functions. Another option that could be “piggy-backed” on this pilot course is the private club model of corporate versus public use of municipal golf services. This

should include a revision of rates and tee times. However, this may be problematic given that Council annually establishes and approves the green fees. PF&R should request the flexibility from Council to adjust green fees to reflect market rates. Further, it should be recognized that contracts were recently finalized for the pro shop and food/beverage operations and as a result the implementation of this recommendation should be phased accordingly.

RECOMMENDATION 2 - Given the high number of rounds played (compared to privately run courses) which can impact maintenance costs, it is recommended that fewer tee times be offered and that Golf Operations have the flexibility to offer market rates for golf. This would result in high quality service without impacting revenue/costs to the City. Further, it should also result in longer term savings associated with course maintenance.

RECOMMENDATION 3 - Council set a range of fees that PF&R could adjust within to provide PF&R staff the flexibility (in consultation with the pro shop contractor) to reflect market trends in prices schemes as required (linked to Recommendation 2).

RECOMMENDATION 4 - The City should establish greater incentives in agreements with pro shop and catering service contractors. These incentives should entice contractors to generate more revenue to the City. Efficiencies could also be achieved by extending the length of the agreements (e.g. to 5 years). *Note: the City has recently negotiated a new contract which is a 3 year term with an option to renew for 2 additional years.*

RECOMMENDATION 5 - A proportion (e.g. 50% of net golf revenues - which is similar to other jurisdictions) be reinvested back into capital infrastructure of the courses (club houses, horticulture, etc.).

RECOMMENDATION 6 - Continue to support the provision of skiing as a municipal public service for residents, but there is a need to reduce the risk and cost associated with the provision of this service. Given the recent capital investments to Earl Bales Ski/snowboard centre facilities and equipment, the City should continue to provide this service. Currently ski hills (depending on weather), generate some revenue or come close to break-even (i.e. lose money). To reduce service delivery risks and costs, presuming the status quo and that PF&R continues to provide this service at both of its locations, PF&R should consolidate operations. This would maintain the current level of municipal service provision of two ski/snowboard centres and focus on the objective of managing the financial risk and costs through restructuring and re-positioning the service.

The City, through PF&R, should re-engineer the planning, delivery and operation of the municipal ski/snowboard centres service focused on the integration of operations into one unit. A specific business plan should be developed to guide operations and public programming in a manner to maximize use, revenue generation and operational efficiency focused specifically on the ski and snowboard business.

This requires the preparation of a short term – three year - business plan to guide operational decisions and actions structured to support operational flexibility and entrepreneurial approach

specifically to marketing and revenue generation. During the three year period PF&R should focus specifically on operational procedures, service planning and delivery focused on maximizing revenue generation from operations (through increased use, revised pricing structure, increased yield per visit, increased revenues from food and beverage) and overall financial performance.

- Improve rental inventory control and automation, demand vs. inventory and examine sponsorship potential
- Re-examine potential for bringing food and beverage operations in-house based on a revised business plan
- Develop revised user fee structure for service areas to expand based on market demand
- Track and monitor use data, visitor satisfaction

PF&R should develop an aggressive advertising and sponsorship program, including special events. PF&R should specifically target private sector ski operators as sponsors based on the development of a value proposition focused on the central role the municipal ski operations play in developing markets for private ski operators. PF&R should also seek sponsorship for both on-going operational funding as well as special events/major equipment. Seek sponsorship of rental operations including supply of equipment.

RECOMMENDATION 7 – City should consider facilitating the establishment of targeted volunteer organizations with a primary role associated with fund raising to offset operating costs specifically associated with the operation of farms/zoo and parks maintenance. Further, improved coordination of numerous opportunities for partnerships with private sector and community groups on the City and divisional levels will lead to service efficiency gains (for new initiatives). The range in timing herein represents the acknowledgement that it may take up to 3 years to change cost structure and fully cover costs (or cover most costs). If after 3 years of minimal change in cost structure occurs, then the City should consider closing the relevant farms/zoo (or keep them closed depending on outcomes from Council and Executive Committee).

RECOMMENDATION 8 – Introduce the use of donation boxes at farms/zoo (e.g. High Park Zoo and Riverdale Farm). For example, a donation of approximately \$1 from 10% of High Park's 1,000,000+ visitors would raise a conservative estimate of \$100,000. Beacon Hill Farm in Victoria suggests donations of \$3.50 for adults and \$2.50 for children; hence it is possible to generate further revenue from donations than the conservative estimate of \$1.00. Other jurisdictions are able to significantly cover most-to-all operational costs through donation boxes and sponsorship. This recommendation could be implemented immediately with low risk and immediate returns. Given that there will be no cash transactions, limited staff support is required. Further, given the minimal cash in the box on a weekly basis, the risk of theft is minimal: special boxes have been designed and are available that prevent/inhibit crime/theft. It is also recommended that Council extend the operation of High Park Zoo and Riverdale Farm to allow phased in revenues over a period of two years, after which a decision to close or continue operations of the zoo and farm can be made.

RECOMMENDATION 9 – Programs such as adopt an animal, hay day, etc. could provide a new revenue stream for High Park Zoo and Riverdale Farm.

RECOMMENDATION 10 – Examine sponsorship from nearby Business Improvement Areas, private corporations, and assess partnerships with feed mills for reduced costs on food for animals at farms/zoo.

RECOMMENDATION 11 – Determine viability for development of a partnership with the Ontario Veterinary College to further reduce the veterinary costs for animals at farms/zoo.

RECOMMENDATION 12 – That a conservancy model not be established or considered for any PF&R operations (e.g. High Park Zoo, Riverdale Farm or Parks Maintenance) given the high risks, specialized training and understanding of animal husbandry, horticulture, etc. and likely instability (both governance and funding sources). A conservancy model provides fewer benefits, and removes economies of scale (in particular for park maintenance which is one of the City's competitive advantages).

RECOMMENDATION 13 – Leverage existing entertainment partnership (i.e. Centerville) by revising RFP to include the operation of both facilities (i.e. Far Enough Farm). The idea is to make this a collective destination with Far Enough Farm. If upon issuing an RFP, no proponent is interested in Far Enough Farm, then City should consider closing it/keep it closed.

RECOMMENDATION 14 – An examination of the pros and cons of various governance models for volunteer / community based operation of Riverdale Farm should be carried out in 2012. This could include seeking and obtaining charitable status, grant application, and other fund raising options that fall outside the mandate of the City of Toronto.

RECOMMENDATION 15 – Do not renew the lease for 2012 with the Friends of Riverdale as it currently stands; cease the Riverdale farm advisory committee; and, re-position a volunteer role in the planning and delivery of services for the future based on:

- a revised governance model;
- a more comprehensive volunteer participation structure with defined roles and responsibilities related to strategic positioning of the Farm; and
- a funding plan based on revenue sources associated with fund-raising / donations, activity fee, etc.
- The result would be reduced staffing chores with new funding streams to offset programming costs.

If this option is implemented, the community based organization would need to comply with relevant City policies (user fees, permit of facilities, etc.).

Re-structuring should include participation of other agencies with mandates that are related to historical interpretation (e.g. Black Creek Pioneer Village, City museums, etc.) and opportunities for coordinated marketing and joint programming explored.

The Riverdale Farm Coalition should develop and present its business plan to P&E Committee and that Council should assess the credibility of the plan. If not credible, then entertain the option of closing Riverdale Farm (presuming that the earlier recommendation of a donation box among others is not endorsed).

RECOMMENDATION 16 – Cease the delivery of City recreation programming at Riverdale Farm. The City would no longer be involved in the provision of recreation programs at the site. The City can provide support, but not directly deliver programs - this would be done by volunteers/ community based organizations.

RECOMMENDATION 17 – City staff to develop a comprehensive business plan geared towards revenue generation to attempt to cover operating costs at Riverdale Farm. This could include the production of food for sale (eggs, milk, cheese, vegetables, etc.). The City could invest in the kitchen facility so it can operate as a small restaurant with “organic homemade products” for patrons. This option would also require refocusing the farm on crops and smaller animals (i.e. no larger animals that do not necessarily fit within the new model).

RECOMMENDATION 18 – PF&R should continue with its plan to acquire and implement the necessary IT systems and programs which will facilitate the application, monitoring, and evaluation of performance and efficiencies of achieving parks maintenance standards (as well as other areas of performance). This will improve efficiency, effectiveness, planning, transparency and accountability. PF&R needs asset management/mapping and work order tools to keep track of its assets, develop maintenance and state of good repair plans and to assign and measure work performance. That which is measured improves and PF&R is currently without any IT systems for this: it needs such a system to improve service, efficiency, responsiveness to Council and customers.

RECOMMENDATION 19 – Improving service efficiency (“to do more with the same”) could be achieved by changing service standards for select parks maintenance; for example, switching from natural to artificial turf (where appropriate for sport fields). PF&R staff will need to collect the necessary information from recommendation #18 above then assess the feasibility of the most appropriate candidate sites. Service efficiencies could also be achieved by applying water conservation strategies (as noted in Calgary), as well as reduction in amounts of fertilizer applied, and energy conservation.

RECOMMENDATION 20 – Examine the feasibility of merging the Design group in the Parks unit to foster collaboration and enhance communication as a means of establishing greater efficiencies. There are opportunities to strengthen the coordination of the planning function with PF&R and revisit the organizational placement of additional planning resources to further establish efficiencies.

RECOMMENDATION 21 - Hiring process for parks maintenance does not respond promptly to the needs of the Parks Branch. It is recognized some of the hiring processes are a reflection of the collective agreement, however there are opportunities for corporate HR to enhance the

process supported by IT systems that can generate staffing needs/priorities/gaps/performance. Directors should be able to authorize acting roles to simplify the process.

RECOMMENDATION 22 – Speciality waterfront parks maintenance could be contracted out due to its relatively compact geographic location, and highly specialized and labour intensive nature. Examples include Sugar Beach, Sherbourne Commons, etc. – they have higher costs due to more individual technologies (i.e. no economies of scale). Parks such as Kew Gardens and Toronto Islands should not be contracted out. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

RECOMMENDATION 23 – Maintenance of small downtown parkettes can also be contracted out due to high labour costs associated with required travel time. PF&R senior staff should identify a series of such parkettes that could be put out to tender for parks maintenance. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

RECOMMENDATION 24 – Cleaning of public washrooms (in parks) is a workload driver that could be contracted out. PF&R staff should examine the feasibility of issuing a Vendor of Record to a series of contractors for less cost than the current service delivery model. The extent to the potential cost savings could not be identified since the Division does not capture data by operational function for parks maintenance. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

RECOMMENDATION 25 - Move Forward with RSP Planning Process. PF&R should be encouraged to focus renewed energies on moving forward with subsequent stages of the RSP planning process and to do so in a timely manner. A formal planning research methodology and process should be used to guide all planning activities including the documentation of analyses and recommendations. It is essential that adequate and appropriate resources are provided to support this planning activity to ensure its successful completion in the shortest amount of time possible.

RECOMMENDATION 26 – Development of a comprehensive database of qualitative and quantitative information. PF&R should establish research methodologies and processes to develop a comprehensive data base of both quantitative and qualitative information concerning the recreation service delivery context.

RECOMMENDATION 27 – Establish Divisional Roles and Responsibilities. PF&R should establish specific Divisional roles and responsibilities in the areas of *community development and facilitation* and establish a more formal relationship (co-ordination, communication, information sharing, collaboration, priority setting , etc.) with other City Divisions involved in aspects of community development and facilitation, particularly Social Development, Finance and Administration.

RECOMMENDATION 28 – Develop a strategy on alternative service delivery models. Based upon the provisions of the RSP and associated service planning, PF&R should develop a strategy associated with potential alternative service delivery models. As part of this process PF&R should establish a policy framework that includes a set of minimum standards, guidelines, and criteria to guide the evaluation and assessment of potential opportunities for alternative service delivery approaches in the delivery of recreation programs, activities, and services.

RECOMMENDATION 29 - Develop Business Performance Measures. PF&R should develop a set of business performance measures that are specifically aligned to elements of the directional framework and the business plan and reflect an understanding of the specific metrics which are meaningful in the planning and delivery of recreation services with a specific emphasis on the identification of “the cost of service” metrics.

RECOMMENDATION 30 - Develop and document a Comprehensive Report on the Status of Current Facilities. The development of a comprehensive report on the status of the current municipal indoor recreation facilities including community centre assets will support the subsequent preparation of a Recreation Facilities Master Plan and it will also prepare a valuable tool for the Division to use immediately to inform decision making and the assessment of options and alternatives associated with all aspects of the provision, management and operation of municipal community centre facilities.

RECOMMENDATION 31 - Development of a 20 year Recreation Facilities Master Plan. Once the development of a comprehensive report on the status of current municipal indoor recreation facilities has been completed, PF&R should focus attention on the preparation of a Recreation Facilities Master Plan.

The first step should be the preparation of a detailed work plan that identifies: the scope of the plan, the key issues, service planning and provision issues that need to be addressed, how the Plan will be documented and the ways in which the data is to be collected, the analysis activities will be formatted for subsequent use in additional planning activities within PF&R, other municipal divisions that should be consulted in the preparation of the Plan, the steps in the planning process including research methodologies to be utilized based on a specified description of level of detail. This should also include an assessment of the requirement for assistance from an outside expert/consultant to assist in the preparation of the Plan.

RECOMMENDATION 32 – PF&R should examine the contracting-out of Maintenance and Cleaning of Community Centre and Recreation Facilities. Currently, PF&R has a mixed service delivery model as it relates to the cleaning and maintenance of community centres and recreation facilities. The majority of the City recreation facilities are cleaned and maintained by city staff. The main exceptions are the facilities in Scarborough which contracted out the cleaning of facilities prior to amalgamation.

The analysis suggests that a similar alternative service delivery model of contracting out of facilities cleaning and maintenance be considered for other areas of the City, if not all.

SUMMARY OF COSTS AND SAVINGS/REVENUE GENERATION

If all of the DPRA consulting team recommendations are fully implemented, the conservative net savings are estimated to be approximately \$300,000 for 2013 and an additional net saving of \$ 2,500,000 beyond 2013), for a total net savings of \$2,800,000 (2013 and beyond).

The following are the estimated costs and potential savings/revenue generation estimates for the DPRA consulting team's recommendations for 2013 only.

Summary of Costs and Savings 2013	
<i>Cost:</i>	<i>\$555,000 (\$550,000 operating and \$5,000 capital)</i>
<i>Savings:</i>	<i>\$820,000 to \$910,000</i>
<i>Net</i>	<i>\$265,000 to \$355,000</i>

The following are the estimated costs and potential savings/revenue generation estimates for the DPRA consulting team's recommendations beyond 2013.

Summary of Costs and Savings beyond 2013	
<i>Cost:</i>	<i>\$150,000</i>
<i>Savings:</i>	<i>\$2,665,000</i>
<i>Net:</i>	<i>\$2,515,000</i>

ACKNOWLEDGEMENT OF CONTRIBUTION

The Toronto Parks, Forestry & Recreation Division Service Efficiency Study would not have been successfully completed without the extraordinary efforts, professional attitude, and energy of many individuals within the City Manager's Office – Fiona Murray (Manager of Corporate Policy and project manager for this assignment) Lynda Taschereau (Corporate Project Lead, Toronto Services Review), and Liz Wood (Support staff); Parks, Forestry and Recreation Division – Jim Hart (General Manager), Richard Ubbens (Director, Parks), Janie Romoff (Director, Recreation Programs), Ann Ulusoy (Director, Management Services), and Rick Powers (Director, Policy and Strategic Planning).

Essential contributions were made by staff that participated in interviews and assisted/participated with the site visits and tours across the City. These PF&R staff conveyed a high level of commitment and passion for the City of Toronto, its residents and users of divisional facilities, programs and services: they share the same desire to doing things right and doing the right things for users.

Other significant strategic advice, framing and sound judgement was provided by Joseph Pennachetti (City Manager) and Brenda Patterson (Deputy City Manager Cluster A).

While the efforts behind this project were collaborative - the analysis, conclusions, views, and recommendations are those of the consulting team in its role as independent management consultant; and do not purport to represent the views or positions of any other organization either internal to the City of Toronto, the Parks, Forestry & Recreation Division, or external.

1 - INTRODUCTION

1.1 PURPOSE OF THE REPORT

The purpose of the Parks, Forestry & Recreation Division (PF&R) Service Efficiency Study (SES) is to support the City's efforts to ensure the cost-effectiveness of services (e.g., services are not costing more than they should) and general process efficiencies. By taking a closer look at the services offered, this SES will assist the Division and the City to identify and obtain a set of options and recommendations directed at delivering maximum service efficiency savings in the shortest period of time while focusing on core business. This includes reducing services, eliminating services, alternatives to service delivery, and options to more effectively deliver services.

1.2 NEED FOR THE STUDY

A Service Review Program was initiated by City Council in April 2011 in preparation for the 2012 Budget Process and to address a budget gap of \$774 million. The Service Review Program includes three components: a Core Service Review which examined what services the City should be delivering and at what level; a User Fee Review which examined the extent to which the City's user fees are fair and collect the full cost of providing the service; and the Service Efficiency Studies which examine how specific City services are delivered to ensure the most efficient and cost effective service delivery.

Parks, Forestry and Recreation Division is one of eleven studies undertaken in 2011. By taking a closer look at the services offered, this Service Efficiency Study will help PF&R and the City identify and obtain a set of options and recommendations aimed at delivering maximum service efficiency savings in the shortest period of time while focusing on core business.

1.3 GOALS AND OBJECTIVES OF THE STUDY

As per the Statement of Work, the following are the specific goals for the assignment:

- Identify and make recommendation on the range of options for alternative service delivery models, including their pros, cons, and implications.
- Identify and document service delivery models used in other comparable jurisdictions.
- Identify any service efficiency gains that could result from implementing alternative models.
- Examine documents and approaches that have been used in past efforts to pursue alternative service delivery models and provide recommendations on how to make future efforts more viable, i.e., what are the necessary conditions for private sector interest and involvement in the management and operations of such assets.
- Provide advice on the criteria currently used in PF&R to assess community centre viability and continued operation.
- Provide advice on the most effective delivery and planning model to determine the best balance of recreation services offered.

The key steps to assess service efficiency as part of the SES included:

- Identifying and assessing costs and cost drivers of current practice;
- Reviewing and assessing services, activities and methods;
- Comparing against service providers in other jurisdictions using comparable and relevant best practices;
- Analysing and comparing service benchmarks and measures, and
- Assessing against other relevant information.

1.4 STUDY FOCUS

As per the Statement of Work for this project, the scope of the study focuses on two main service areas – Parks and Community Recreation. Particularly, the study focussed on the following assets and activities within these areas:

- **Golf Courses** – The City operates 5 golf courses with signs of steady decline in golf rounds played since 2000, which corresponds to decrease in revenue. The golf courses are operated in a mixed service delivery model and the current contract agreements expired in 2011.
- **Ski Hills** – One can argue that with climate change, the ski season may be shortened in the years to come. With the decline in revenue and the ever-increasing cost for maintenance and operation, the City had considered the possibility of private/public partnership. Nonetheless, private investors did not show a lot of interests on past Request for Proposals. The study examines the potential to contract out the maintenance and capital investment of the City's ski hills, in particular to identify conditions necessary to attract the best-fitted external interest while ensuring the City's priorities are met.
- **Farms/Zoos** – The City operates and maintains 3 farms, which all offer free admission with approximately 1.8 million visitors annually. The Study examines the feasibility of expanding alternative service delivery models for asset management and operation and provision of recreation programs and services.
- **Community Centres** – The aging facilities infrastructure puts pressure on maintenance costs as the buildings are more expensive to operate. The Study examines the feasibility of expanding alternative service delivery models for asset management and operation and provision of recreation programs and services.
- **Parks Maintenance** – The City maintains 4,356 hectares of the more than 8,400 hectares of parkland with 3,084 hectares of mowed fields. The Study examines the feasibility of alternative service delivery and efficiency measures that could be applied to work assignment and crew deployment.
- **Recreation Service Planning** – There is no standardized annual planning approach to determine recreation services with the growing demands of the population. This Study examines the most effective delivery and planning model to determine the best balance of service offered.

There are a number of issues confronting the planning, delivery, management and operation of these City owned assets and services, which provide Toronto residents with various year round recreational opportunities. This study included research and reviews of how other jurisdictions

deal with similar service areas and their experiences with different approaches to alternative service delivery models.

The consulting team of DPRA Canada Inc. and LeisurePlan International Inc. were engaged in late October 2011 to assist the City with the study.

The City Manager's Office (CMO) designated Project Manager, PF&R staff, and project Steering Committee established for Service Efficiency Study activities provided assistance in guiding the project.

The study consisted of the following tasks:

- Orientation meeting;
- Review of relevant studies and background information;
- Key informant interviews;
- Site visits;
- Informal focus group discussions with key management and select union staff, were conducted during site visits;
- Two working sessions with PF&R Executive staff to discuss study progress and preliminary findings; and
- Documenting the study (final report).

This report documents both the study process and study results.

1.5 STRUCTURE AND ORGANIZATION OF THE REPORT

The report consists of 5 Sections. Sections 1 – 2 consists of an introduction and review of project approach and methodology. Section 3 presents background and context for the SES. Section 4 includes the analysis and findings for each of the study focus areas including relevant findings from the jurisdictional review. Section 5 presents a summary of observations and recommendations based on the results of the analysis.

2 – METHODOLOGY AND APPROACH

Each specific service area listed in the previous section serves a particular function and is delivered by specific and potentially related processes. It is important to properly describe and understand these functions and processes in order to provide an accurate assessment of the current service delivery model and cost drivers of current practice, as well as to further assess alternative service delivery options, processes, and responsibilities, and estimate any cost savings. A strong grasp of these functions enhanced the consulting team's awareness of the areas of shared interest among other City of Toronto service areas. This section briefly outlines the consulting team's methodology and approach to this SES and describes the key characteristics or guiding principles of the approach.

The following methods were employed to solicit data and information to guide this assignment:

- A review of City of Toronto and PF&R documents – previous studies, policies, strategic plans, staff reports, organizational charts, service delivery models and manuals, reports to Council and Committees, etc.;
- A review of other relevant documents (i.e., Divisional reports/studies and data, Ontario Municipal Benchmarking Initiative, and other organizations);
- Identification of potential alternatives to service delivery methods for select PF&R areas;
- A review of best practices and lessons learned in comparable service provision in other Canadian and American jurisdictions (where possible) similar to Toronto (including but not limited to):

Table 1: Canadian and American Jurisdictions Reviewed

CANADIAN		AMERICAN
Ottawa	Windsor	New York, NY
Mississauga	Brampton	Boston, MA
Montreal	Kitchener	Los Angeles, CA
Vancouver	Waterloo	Seattle, WS
Victoria	Elliot Lake	Sacramento, CA
Calgary	Squamish	Houston, TX
Hamilton	Whitby	Milwaukee, WI
Winnipeg	Oakville	Dallas, TX
Barrie	Markham	Indianapolis, IN
Sudbury	Niagara Falls	Portland, OR
Thunder Bay	Cambridge	Baltimore, MD
Burlington	High River	Philadelphia, PA
London	Kincardine	Chicago, IL
Halifax	Peterborough	Palo Alto, CA
Thunder Bay	Collingwood	
St. Catharines	Saskatoon	

- Interviews with internal (divisional employees) stakeholders; and
- Site visits, informal focus group discussions, and interviews with staff at locations selected by project steering committee for a variety of operations specific to this assignment.

Note: The discussion that follows is an interpretation by the consultants of what was read in the document review including the jurisdictional scan and heard in the interviews and focus groups. The information gathering task of the study is not intended to be a comprehensive record of all comments, nor is it to be used as a program audit, competency study, assessment of personnel or a performance measurement study. Any attempt to use this report in this way would be a misuse of the information and the intent of the study. The purpose of this task is to provide the Study Team with an understanding of the transformational focal points and operational flow of the organization. All information provided by respondents is treated as confidential and no specific comment is attributable to any one person.

2.1 FACILITATED APPROACH

The consulting team offers a facilitated approach to organizational assessment and review. The real value of a facilitated approach is that most of the knowledge needed to design any new organizational model, or enhance the effectiveness of an existing model, exists and is available in the management and staff of the organization. The challenge is to access this knowledge and to creatively use it to identify, assess, select and implement a preferred solution. The management and senior staff of the organization are best positioned to identify and assess the challenges and opportunities facing the organization and its future needs. It is the purpose of the facilitated approach to mine this corporate knowledge by directly involving the management and the staff of the organization in assessing and defining the future corporate structure and organizational needs. Our team's work is guided by the principles outlined below:

(a) **Collaboration** - In understanding the needs and in designing and delivering the assignment, we work collaboratively with the City, which, as a client, possesses understanding of what is required and has clear expectations for the outcome. As a partner, we work with the City to ensure that we develop a common understanding and that our efforts in carrying out the assignment supports project specific objectives. We do this through regular face-to-face meetings, regular project updates and review of/discussion on project deliverables.

(b) **Responsiveness and Relevance** – The assignment must provide value – this means that the changes that may be proposed to improve efficiency must be responsive to the City's needs and relevant to its business objectives. In designing and delivering the project, we ensure that the developed materials clearly and effectively address the issues, challenges and opportunities facing PF&R in light of the difficult decisions the City is facing in 2012 and in future years to meet its budget challenges and to identify opportunities to deliver services in the most efficient and cost-effective manner by using technology and automation, shared service models, service innovations, business process reengineering and outsourcing (i.e. "good business sense").

(c) **Testing and Validating** - To accomplish this, we employ a combination of methods used to fully understand the City's issues, challenges, opportunities and strengths such as interviews, workshops, and meetings.

(d) **Flexibility** - We do not come to this assignment with fixed views and a prescription; one size does not fit all. Recognizing the uniqueness of each service area's goals, we incorporate our experience and lessons learned from other assignments and discuss potential applications to this study.

2.2 STAKEHOLDER ENGAGEMENT

The consulting team's approach to this assignment involved divisional staff in every step of the process. The consulting team's role was to develop and guide a process that was designed to facilitate the active engagement of key stakeholders who have an interest in the specific areas of focus of this study. The degree of engagement varied with the nature of the interest and the constraints of project resources. The role of stakeholders was to provide insight and opinion into the current operational flow, issues and challenges, and the opportunities for streamlining operations.

The study approach engaged several different groups, each with an interest in the study. The groups engaged during the course of this study included:

- **City Manager Oversight Committee** – The City Manager established a Steering Committee (SC) to oversee all Service Efficiency Studies and consider options to improve efficiency and reduce costs.
- **Project Steering Committee** – A Study Group consisting of representatives from the City Manager's Office and PF&R to assist with information gathering and act as a "sounding board" for preliminary findings, options, and recommendations.
- **PF&R Staff** – Divisional staff (management and non-management) were engaged in the study through site visits, informal focus groups discussions and interviews to provide a wide range of advice and comments. Specifically, key personnel provided comments with respect to:
 - a. Operational flows, concerns, and opportunities;
 - b. Identification of service efficiencies and/or areas that require attention;
 - c. Business processes; and,
 - d. Advice on ways to reduce costs including options for alternative service delivery.

This report summarizes the involvement and contribution of each group in the study.

2.2.1 APPROACH TO THE INTERVIEWS

Interviews with the senior PF&R staff were completed by the consulting team from November 14 to 29th, 2011. Follow up and additional interviews were also scheduled during December 2011 and January 2012. Further interviews and focus groups were conducted during site visits and tours (for details see Table 1). Interviews were semi-structured, open-ended, in-person and/or over the telephone and lasted between 60 and 180 minutes.

The purpose of the interviews was to explore:

- Roles and duties of the staff responsible for provision of the specified services;
- Any technological aspects of service provision;
- Challenges with respect to delivery of services;
- Solutions to the perceived challenges;
- Tendencies (demographics, value streams, demand for programs and services, etc.);
- Organization flow; and,
- Suggested changes to service delivery related to the specific focus areas.

2.2.2 APPROACH TO THE INFORMAL FOCUS GROUP DISCUSSIONS

The informal focus group discussions involved bringing a small group of people together for a free flowing discussion around the select research topics. Participants were asked to explore an issue, sometimes loosely, sometimes through responding to more focussed questions. The advantage of this approach is that it allowed the consulting team to generate rich, detailed information that is set in a particular context.

For this assignment, such informal focus group discussions were held with the PF&R staff during site visits/tours during November and December 2011 (for details see Table 2). During each session, the consulting team solicited staff feedback for specific processes and operational questions.

The objectives for the informal focus group discussions with divisional staff were:

- To engage the staff in the process and obtain their direct and relevant perspectives;
- To define key activities and business processes within specific focus areas (i.e. what is it that the staff do on a day-to-day basis and how they do it); and,
- To define issues/challenges (internal and external) in relation to the divisional operational flow, activities, and services.

Table 2: Site Visits Conducted by the Consulting Team

DATE	LOCATION
November 10	Etobicoke Olympium
November 15	Earl Bales Ski Centre
	Anitbes Community Centre
November 16	Agincourt Community Centre
November 17	Don Valley Golf Course
November 18	Masaryk-Cowan Community Centre
November 25	Tours of various types and forms of Parks across the City including Riverdale Farm
December 5	High Park Zoo

2.3 CAVEATS AND DATA LIMITATIONS

There were limits to the amount of available data and their details required for completing thorough analysis. Not all information requested from the City was available to the consulting team. Further, difficulties also existed when obtaining quality data related to the review of best practices in other municipalities. For example, costs per activity were often combined with other services provided within the parks department. Also, the output of jurisdictional comparison was limited due to significant variations among reviewed municipalities in geographical location/climate, local policies and legislation, as well as applicable services, their standards and associated delivery costs.

3 - BACKGROUND AND CONTEXT

The following section presents an overview of the findings resulting from a high-level scan of the documents received from the City of Toronto and relevant data from other North American municipalities. The background and context assisted the DPRA/LeisurePlan team in developing a high level understanding of the division's (specific focus areas) operational environment in general and service efficiency initiatives carried out to date as well as future areas of service delivery.

3.1 BACKGROUND

Municipal parks and recreation services provide significant values and benefits to residents of all ages. The study conducted by Parks and Recreation Ontario in 2008, which surveyed 1,058 provincial residents, found that 92% of the respondents indicated that they received some benefits from local park areas; while 55% indicated that they relied a great deal on local government and community, non-profit recreational services.¹ The survey also asked if the respondents were willing to pay more if new or improved parks and recreation services were made available. Interestingly, 67% of the respondents stated that they would be willing to pay more after they were informed that on average, every Ontario resident pays about \$150 a year in local taxes for parks and recreation services.

As part of the Core Service Review conducted last year, Torontonians were asked to provide their opinions regarding City Parks. 2,133 respondents provided in-depth responses on this service, including 1,048 written comments.² Respondents thought that parks, beaches and green spaces are an integral part of the City, enhance quality of life, keep people healthy, make the City beautiful, clean and green, and bring people together. Activities which maintain and protect parks, beaches, sport fields, trails, green spaces and gardens were given by participants the highest average rank. In addition, for over 80% of respondents maintaining quality was more important than lowering the costs for maintaining and protecting parks.

Other research also supported the benefits of parks and recreation services which encourage physical and social activities and improve both physical and mental health of individuals.³ Parks and community centres provide venues (both outdoor and indoor) for physical activities, such as fitness/exercise, soccer, basketball, swimming, dancing, walking, etc. Open green space connects the people in an urban community to nature. The presence of neighbourhood parks and tree-lined streets has a positive effect on one's psychological well-being.⁴ Through education and volunteer engagement, it promotes environmental stewardship. Further,

¹ Parks and Recreation Ontario (2009). Use and Benefits of Local Government Recreation and Parks Services An Ontario Perspective – Research Summary. Available [Online]: http://www.prontario.org/index.php/ci_id/3674.htm Viewed January 2012.

² KPMG. 2011. Core Service Review – Final Report to Executive Committee. Appendix C – Public Input on the Core Service Review and KPMG Opportunities.

³ National Recreation and Park Association (2010). Synopsis of 2010 Research Papers – The Key Benefits. Available [Online]: http://www.nrpa.org/uploadedFiles/Explore_Parks_and_Recreation/Research/2011_Summary_of_Research-Final-Web3.pdf Viewed January 2012.

⁴ *Ibid.* 2

organized recreation activities are the means to encourage self-discipline and resilience.⁵ Therefore, many consider that recreation programs have direct links to healthy youth development. For older adults, having accessible recreation programs means that they are more likely to engage in social activities, which can contribute to independent living and develop improved self-image.⁶

Parks and recreation are municipal services that often serve as the primary point of interaction for many residents with municipal governments. While they are valued by the community, like many other public services, their operational model requires review and enhancements based on key drivers including:

- Population distribution - new sub-division requires new facilities
- Age composition - aging population; programs needs based on demographics
- Household composition - increasing demands from single parent families, married couples without children and empty nesters
- Ethnic origins - need for programs that are tailored to cultural preferences (e.g. community ovens in parks)
- Household expenditures – availability of disposable income for leisure activities; issues of affordability in low income family

In addition, departments/divisions responsible for the parks and recreation services are often viewed as relatively high-cost service providers in municipal annual budgets because the operational costs exceed revenues.⁷ Therefore, in response to growing constraints on public expenditures, municipalities have been looking for ways to streamline services and increase efficiencies in order to balance their budgets.

The City of Toronto Parks, Forestry and Recreation Division

The City of Toronto PF&R Division is responsible for city-owned parks, urban forestry, and recreation centres. Over the years, PF&R strives to provide people in the diverse communities of Toronto full and equal access to high quality recreational and leisure programs and services. As one of the largest divisions in the City with a gross expenditure budget of \$326 million it collects \$100 million in revenues. PF&R has over 4,200 approved positions, of which more than 50% of full time equivalent positions (FTEs) are seasonal and temporary positions, corresponding to 10,000 individual workers. Despite the high number of full time, part time and seasonal staff, PF&R has a relatively small management team consisting of 197 staff with an average span of control ratio of 1:61.⁸

⁵ *Ibid.* 2

⁶ *Ibid.* 1

⁷ John L. Crompton (2010). Measuring the Economic Impact of Park and Recreation Services. Available [Online]: http://www.nrpa.org/uploadedFiles/Explore_Parks_and_Recreation/Research/.Crompton%20Research%20Paper-Final-150dpi.pdf. Viewed January 2012.

⁸ City of Toronto Parks, Forestry & Recreation (2011). 2011 Recommended Operating Budget & 2011-2020 Capital Plan. Available [Online]: http://www.toronto.ca/budget2011/pdf/presentation11_pfr.pdf. Viewed January 2012.

PF&R has three main service areas delivering a variety of services and programs to residents using a District Model:

Table 3: Main Service Areas and Programs Offered

Service Area	Programs and Services Provided
1. Parks	<ul style="list-style-type: none"> • Over 1,600 named parks in more than 8,400 hectares of parkland and natural areas across the city • 580 km of trails and pathways • 4 stadiums • 51 artificial outdoor ice rinks • 630 tennis courts • 858 playgrounds • 724 sports fields • Toronto Island and Ferry operations • 3 zoos and farms • 5 golf courses • 1 track and field centre • 51 community gardens
2. Urban Forestry	<ul style="list-style-type: none"> • Maintain and manage 600,000 street trees • Over 3,000,000 tree in parks • Over 110,000 trees are planted annually • Tree Protection and Plan Review (TPPR) • Special projects, e.g. ALHB: Coordination of the Asian Long Horned Beetle eradication program under the designation of the Canadian Food Inspection Agency
3. Community Recreation	<ul style="list-style-type: none"> • 134 community centres • 67 indoor pool locations • 58 outdoor pool locations • 40 City-operated arenas with 48 ice surfaces • 2 ski hills • 105 wading pools • 8.25 million programs visits per year - approximately 4.2 million registered program visits, and 4.3 million drop-in program visits • 62, 673 programs offered at 424 locations • 446,226 total program attendance • 13,824 permits in recreation facilities

As stated in the Section 1.4, the scope of this study focuses only on assets and activities within the division's two main service areas – Parks and Community Recreation. Detailed analysis for each follows in Section 4.

4 - ANALYSIS

The following section presents the analysis completed by the consulting team as it pertains to golf courses, ski hills, parks maintenance, recreation facilities, recreation service planning, and farms/zoos. The analysis is based on the information provided by the City, interviews, jurisdictional comparisons, site tours, background documentation and the consulting team's collective expertise.

4.1 GOLF COURSES

4.1.1 JURISDICTIONAL REVIEW

The jurisdictions reviewed include Winnipeg, London, Burlington, Mississauga, Hamilton, Vancouver and various US cities.

Of interest, the City of Saskatoon is planning to issue an RFP for the operation of its golf courses, however the details within the RFP were not available to the consulting team during the completion of this study.

A wide range of approaches to the management of golf courses was encountered which makes meaningful comparison of findings from these jurisdictions to the operational context for municipal golf service operations in Toronto difficult. For the most part, these jurisdictions are dealing with a downturn in golf participation. In dealing with this, jurisdictions are principally examining strategies to retain golfers, increase utilization (tee time utilization), and revenue generation from associated activities such as food and beverage.

Many municipal golf courses in the United States have been contracted out in their entirety. This has been facilitated by a wide range of agreements drawn up with the private sector that maintains a significant presence through golf management companies operating nationally.

In Canada, the private sector is not as developed as in the USA although there are a number of regionally based companies that are active in contracting municipal golf operations, based on a variety of approaches and agreements.

Our review found that a number of Canadian municipalities are questioning (or have questioned) the merits of golf services as a component of municipal recreation services and, have examined various options and approaches associated with the future operation of municipal golf facilities. Some have examined the option of closure of golf facilities including Burlington, London, and Winnipeg. In the latter, the City also considered the option to sell courses that are performing poorly. Another option examined by municipalities such as Hamilton, Burlington and Winnipeg involved the potential to contract-out all or part of the municipal operations/courses. In Ontario there are a range of operational approaches for municipal golf facilities operation, management and maintenance; municipal, hybrid municipal/private, and private management. In Mississauga, the City opted to counter the

trend by incorporating both BreaBen and Lakeview golf courses as part of the municipality's facilities.

A significant barrier to participation is the perception that 18 rounds of golf takes too long to play. Fewer people are choosing to spend four to five hours away from other activities such as family, work and other social and recreational activities. There will likely be less focus on playing 18 holes, and 9-hole rounds will increase as well as twilight golf (somewhere between 9 and 18 hole rounds). Excellent practice facilities can also provide an enjoyable golf experience as well as help players improve their game.

Another hindrance for municipally owned golf courses are the increasing costs of operating, specifically maintenance costs. These rising costs combined with reduced revenue have resulted in decreased revenue/profit. To manage costs and increase profits, many golf courses have transitioned to online services such as booking and pricing tee times: this has also proven successful with customers (i.e. satisfaction). This is particularly important when tee time utilization is low.

In the review of other jurisdiction, the consulting team has not uncovered any discernible trends in terms of alternative service delivery. Service delivery approaches are largely influenced by local market conditions, municipal resources, financial performance of municipal operations, political climate and public opinion.

In addition to the over building and increased supply of private sector courses, changes in demographics and leisure time patterns (less time for 18 rounds) and consistent decrease in number of golfers participating and rounds played, marginal municipal operations came under scrutiny with the first response being to close or divest operations, or look for a different operational approach that would reduce the financial risk of operation and cost to the municipality.

Due to the size of the private golf market in Ontario there are private sector companies engaged in the business of management and operation which enhances the viability of an alternate service delivery approach of "contracting out". But it is a case by case basis.

Hamilton attempted to privatize its two municipal golf Clubs unsuccessfully in 2000. The Chedoke Golf Club features two 18-hole golf courses (The Martin Course and the Beddoe Course) and the King's Forest Golf Club.

London operates three golf courses: Thames Valley, Fanshawe and River Road, the municipality tried to close one marginal (poor condition and operating at a deficit) golf course (River Road which is located on conservation authority lands) in 2011 with estimated savings of \$180,000. This was met with significant public and political opposition and as a result the course has remained opened (2010 = 115,000 rounds played on 3 courses).

Mississauga has two courses the BraeBen Golf Course (sits atop a former landfill site) and the Lakeview Golf Course (over 40,000 rounds per year) and brought all operations in house to be more cost effective.

Burlington reviewed alternative business and operational approaches for Tyandaga Municipal Golf Course and selected course and facility expansion and improvement based on a municipal operational model.

Kitchener owns and operates 2 courses: The Doon Valley Golf Course and The Rockway Golf Course.

Waterloo owns Grey Silo Golf Course, in November 2007; the city leased the property to Golf North Properties Inc. for \$425,000 per year for a term of 20 years. In addition to the golf course, Grey Silo has a clubhouse and a practice facility.

Thunder Bay City Council is currently considering selling one of its golf courses - most likely, the Municipal golf course which at nine holes is the smallest of its three golf courses (the others being Strathcona and Chapples). The city's three golf courses combined cost \$400,000 to operate; greens fees generate between 70-85% of costs. It is worthy to note that cost recovery is lower due to a shorter season. While start up and close down costs remain constant, the shorter season affects its revenues/costs.

Winnipeg completed an audit of its municipal owned golf courses and its special operating agency that oversees 12 courses — run under various forms of management and decided to contract out operations at its three municipally owned and operated courses (Kildonan, Windsor Park and Crescent Drive) and to renegotiate leases with, or divest itself of, a half-dozen or so “semi-private” courses that pay municipal property tax but negligible rent. Winnipeg Golf Services lost \$1.1 million in 2010, and was projected to lose another \$1 million in 2011.

Elliot Lake is considering the sale of its golf course this year (2012).

Vancouver Park Board operates three major golf courses in the City of Vancouver: Fraserview, Langara and McCleery. The courses have historically helped support other parks and recreation programs.

City of Palo Alto: Due to the ongoing fiscal challenges facing the City of Palo Alto's (City) General Fund the Community Services Department (CSD) recommended, and the Council approved, the exploration of "contracting out" Palo Alto Municipal Golf Course ("Golf Course") maintenance services during the 2011 budget process. The recommendation to explore private maintenance was also suggested in the findings of an operational study conducted by consultants. This process resulted in the recommendation of an award of contract to a private sector company to assume Golf Course maintenance responsibilities, for a 30-month term at a cost of \$1,850,000. The successful private sector company was recommended for an award of contract due to its extensive golf course maintenance services experience, low cost proposal relative to the public

maintenance option, and its commitment to enhance the City's existing Integrated Pest Management (IPM) program, customer service and, most importantly, to improve the quality of Golf Course maintenance services to ensure the Golf Course will remain competitive with neighbouring golf courses.

The stated RFP criteria used to evaluate the proposals were:

- Quality and completeness of proposal;
- Qualifications and experience of proposer in providing Golf Course Maintenance;
- Services as stated in this RFP; including experience and qualifications of project;
- Manager & key staff to be assigned to project;
- Similar experience and expertise in the type of work required, with the City, or with other municipal golf courses or private golf courses;
- Demonstrated understanding of the scope of services requested, timeframes, scheduling ability, ability to provide back up or follow up services, if needed;
- References/Financial stability of Firm; and
- The Cost to the City.

Firms were short listed based on their proposal submissions for an interview. At the conclusion of the interviews each company was asked to provide a “Best and Final” proposal with an emphasis on reducing overall costs with minimal or no impact to the scope of services defined in the RFP. Concurrently, reference checks were made and, where feasible, site visits were conducted to evaluate maintenance levels at other golf courses maintained by the firms.

4.1.2 CURRENT MUNICIPAL SERVICE PROVISION FOR GOLF

The following subsection provides the consulting team’s observations, considerations and recommendation for the City’s golf courses including:

- ❖ Don Valley
- ❖ Dentonia Park
- ❖ Scarlett Woods
- ❖ Humber Valley and
- ❖ Tam O’Shanter

Operations are carried out in a mixed service delivery model. The City has a staff complement of 1 Supervisor and 3 Superintendents (which are re-tasked to rinks and ski hills in the winter), 10 full time staff and 45 seasonal staff.

Both the Pro Shop and food and beverage services are contracted out to private entities whose agreements expired at the end of 2011. Since the initiation of this project new bids were accepted and new contracts awarded for the next three years with an option to renew for an additional three years.

Don Valley Golf Course



Under contract, each golf site has a local Canadian Professional Golfer Association (CPGA) pro golfer who deals with public concerns and teaching programs. Golf operations generate more than \$1 million net profit annually for the City. Since 2000, the number of golf rounds played has been on a slow steady decline in line with an international decline in golf, a trend that is expected to impact future revenues. Don Valley Golf Course generates the most revenue of the five courses (approximately 25%) while Dentonia Park is the only one of the 5 that loses money (i.e.

expenditure is greater than collected revenues).

The City's five golf courses vary in terms of calibre, length and quality. This suggests that there could be varied levels for green fees for each course (i.e. council should consider this further when setting fees). In addition, a package of tee times (again with varied cost structures) across the five courses could also be offered. The courses already have different categories of green fees based on calibre, junior fees, senior fees and twilight fees. However, city rates are lower than private sector courses, hence could be increased to be similar (or closer to) market rates.



Dentonia Golf Course

4.1.3 REVENUES AND EXPENDITURES FOR GOLF

The tables and graphs below present a breakdown of the data that was available for this study pertaining to City owned golf courses. As illustrated in Table 4, the number of total rounds played peaked in 2004 at 201,409 and decreased to a low of 156,370 in 2011. While 2009 had the fewest rounds of golf, it was also the year of a labour disruption for the City in the middle of golf season – hence was excluded in this observation. Further, the spring of 2011 was extremely wet which impacted use (and therefore revenue); and, three holes were out of commission at Don Valley due to storm water management construction by Toronto Water. For comparative purposes, the majority of private golf courses play approximately 20,000 rounds per year – compared to 23,000 – 45,000 rounds per years at respective City run, less expensive accessible courses.

Table 4: Golf Courses Total Rounds Played 2003-2011

Total Rounds Played (18 and 9 holes)									
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Don Valley	47,461	49,256	47,741	45,389	45,841	42,548	32,816	41,585	38,359
Dentonia	30,813	31,242	31,413	28,389	30,068	28,686	21,200	25,015	23,054
Humber Valley	40,121	40,924	41,697	41,457	38,369	36,169	27,019	34,673	33,680
Scarlett Woods	36,656	39,106	38,015	35,623	34,632	33,615	25,855	33,415	29,582
Tam O'Shanter	39,194	40,881	40,902	38,777	38,242	40,919	27,658	34,203	31,695
Total Rounds	194,245	201,409	199,768	189,635	187,152	181,937	134,548	168,891	156,370
<i>Note: In the summer 2009, a 39-day labour disruption had an impact on total revenues of that year.</i>									
<i>Note: the season (time from the opening to closure of the course) varies slightly (about two weeks) among courses during some years</i>									

Table 5 presents the total gross revenues for all five courses from 2003 to 2011. Across all five courses, City run golf operations as a whole generates more revenue than its costs. Correlated against Table 4 (number of rounds played), the most gross revenue was generated in 2004 (over \$6,000,000) and the least in 2011 (approximately \$5,300,000).

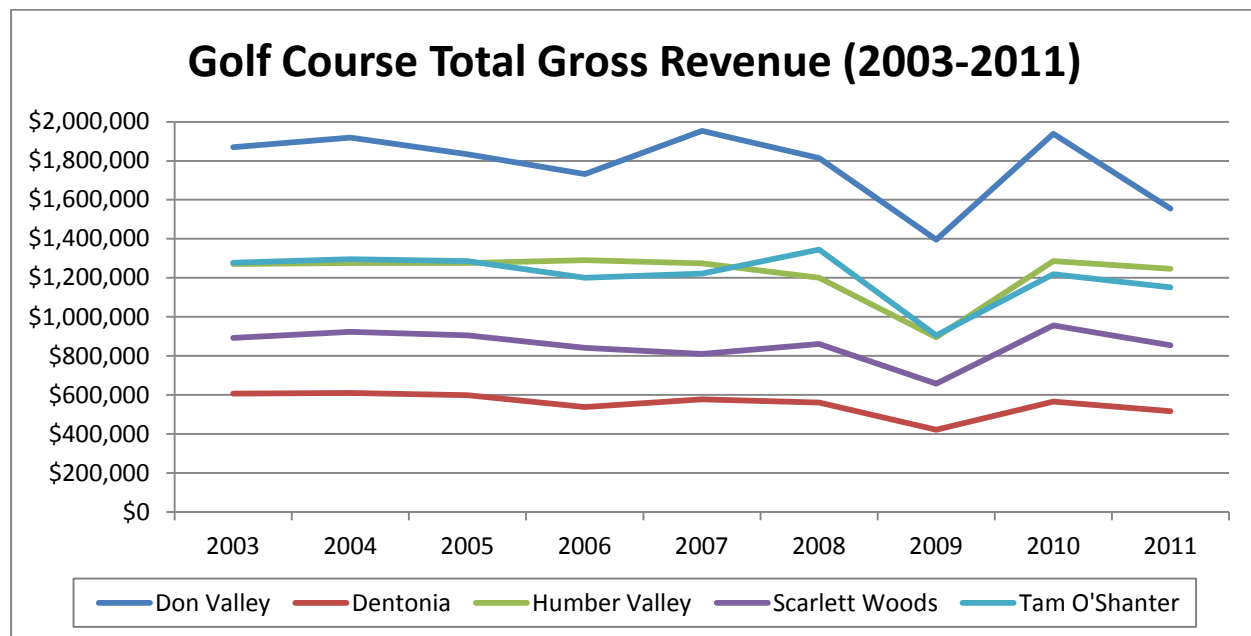
In 2011, Don Valley represented 29% of the revenue generation (green fees only – i.e. no food and beverage, golf carts, etc.), followed by Humber Valley at 23%, and Tam O'Shanter at nearly 22%. Dentonia Park represents less than 10% of total revenues while Scarlett Woods represents 16%.

Table 5: Golf Courses Total Revenue 2003-2011

Total Revenue Received (18 and 9 holes)									
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Don Valley	\$1,870,524	\$1,919,822	\$1,833,814	\$1,732,170	\$1,952,811	\$1,813,751	\$1,395,191	\$1,938,553	\$1,554,453
Dentonia	\$605,776	\$609,333	\$598,297	\$536,843	\$576,905	\$561,281	\$420,618	\$564,787	\$516,741
Humber Valley	\$1,271,136	\$1,276,409	\$1,276,120	\$1,290,558	\$1,274,030	\$1,200,574	\$895,209	\$1,285,291	\$1,246,477
Scarlett Woods	\$892,167	\$923,170	\$905,766	\$841,365	\$809,887	\$860,396	\$658,214	\$955,688	\$853,719
Tam O'Shanter	\$1,277,026	\$1,294,887	\$1,285,021	\$1,199,963	\$1,221,633	\$1,344,519	\$905,764	\$1,218,067	\$1,150,598
Total Revenue	\$5,916,631	\$6,023,622	\$5,899,019	\$5,600,901	\$5,773,853	\$5,724,807	\$4,226,426	\$5,962,386	\$5,321,988
<i>Note: In the summer 2009, a 39-day labour disruption had an impact on total revenues of that year.</i>									
<i>Note: the season (time from the opening to closure of the course) varies slightly (about two weeks) among courses during some years</i>									

The information in Table 5 is graphically presented below (Figure 1) to more visually convey trends in revenue.

Figure 1: Golf Courses Gross Revenue Trend 2003-2011



Excluding 2009 due to the labour disruption, Table 6 presents net expenditures for 2008 and 2010 by course. Both Don Valley (approximately \$530,000) and Tam O'Shanter (over \$330,000) generate the most profit of the five courses. Dentonia generates a net loss; in 2008 the net loss was \$132,300 and \$160,200 in 2010. Of note program support costs increased threefold from \$25,000 in 2008 to \$107,000 in 2010 – this was a change in accounting practice wherein the Management Services Branch costs were factored into operating costs when not previously so.

Table 6: Golf Courses Net Expenditures 2008-2010

Net Expenditures 2008 and 2010												
	Don Valley		Dentonia		Humber Valley		Scarlett Woods		Tam O'Shanter		Program Support	
	2008	2010	2008	2010	2008	2010	2008	2010	2008	2010	2008	2010
Salaries & Benefits	791.2	910.5	443.6	443.7	625.2	717.6	520.6	489.8	622.3	525.3	62.0	108.2
Non-Salary Expenditures	481.3	371.7	249.7	216.2	354.1	290.6	227.9	216.8	359.0	269.2	18.6	0.2
Gross Expenditures	1,272.5	1,282.2	693.3	659.9	979.3	1,008.2	748.5	706.7	981.3	794.5	80.6	108.3
Revenue	1,806.4	1,810.5	561.1	499.7	1,230.4	1,164.6	871.0	873.6	1,379.1	1,126.6	56.1	1.3
Net Expenditure	-533.9	-528.3	132.3	160.2	-251.1	-156.3	-122.5	-166.9	-397.8	-332.0	24.6	107.0

Note: Financial summaries for 2009 were excluded from the analysis due to a 39-day (from June 22 to July 30) labour disruption had an impact on total revenues of that year.

Note: the season (time from the opening to closure of the course) varies slightly (about two weeks) among courses during some years

The consulting team's analysis includes a series of findings and potential concerns. Cash control and risk issues have arisen in the past as a result of the existing receiving processes. Under the existing agreements, the contractor operating the pro shop collects the green fees. However, no systems currently exist to track information such as revenues, information on users, and course utilizations. From a risk perspective, golf operations could be improved by establishing a

tee time reservation system, as well as mechanisms to accept payments online. This would result in operational efficiencies, reduce risk and facilitate the streamlining of operations.

It is unlikely that the City could privatize golf courses given that there is an oversupply of private golf courses across the GTA (i.e. it is difficult to find a buyer in the current market). A further hindrance to privatization is the current state of infrastructure and the needed investment in club houses. Also, there are land ownership issues with entities such as the Toronto Regional Conservation Authority which owns and regulates almost all of the lands where golf courses are situated. Given this issue and that much of the golf course land is flood plain, it is stipulated in its Official Plan which is legislated by the province (i.e. the Planning Act) that it cannot sell the gold course lands for development.



Locker Room at Don Valley Golf Course – lockers are old and need replacements, drywall needs further repair, requires paint, and is being used as storage for items that should not be there including tires



Food and Beverage Area in Clubhouse at Don Valley – difficult to see but eating area is very limited and carpet is very old and soiled.

Overall, the consulting team observed that course maintenance is relatively efficient. Staff issues are minimal and a special clause within the collective agreement helps mitigate concerns faced by staff involved in general parks maintenance. Course maintainers are specially trained and therefore not all parks maintenance staff can work on golf courses, hence there is a core set of individuals who are consistently involved in the specialized maintenance and generally located at the same course annually.



View of well-maintained Don Valley Golf Course

4.1.4 PRIVATIZATION OF GOLF COURSE MAINTENANCE

One can conservatively assume that approximately 10 – 15% could be saved if golf maintenance was contracted out. But, it is important to note that the level of maintenance correlates to the play of a course which in turn impacts utilization and the resulting profits. Historically, contracting out maintenance has resulted in a reduction in turf quality which in turn impacts net income from revenues. So while you may save on maintenance, you reduce overall profit because of lower utilization. As noted earlier, private golf course typically run approximately 20,000 rounds per year compared to a range for Toronto courses of 23,000 – 45,000 rounds per year (based on respective course). While 23,000 is comparable, a course running more than double a private sector course is too high. There is merit in considering a reduction in the number of rounds but increasing green fees more comparable to market rates which would maintain revenue and reduce maintenance costs (i.e. ability to increase quality without impact to revenue).

4.1.2 OBSERVATIONS, CONSIDERATIONS AND RECOMMENDATIONS FOR CITY GOLF OPERATIONS

The following recommendations are based on our understanding and analysis of material available to the consulting team for golf. The consulting team presents a series of recommendations as a series of options dependent upon the desired direction of PF&R executive staff as well as Council. That is, we are not proposing all recommendations be implemented, rather a menu of options are listed for consideration and desired “fit”.

1. The City should consider running golf courses more like a private club model (i.e. business) as opposed to a service. A pilot case can be established at one of the better performing courses such as Don Valley. This would include taking back food and beverage and pro shop functions. Another option that could be “piggy-backed” on this pilot course is the private club model of corporate versus public use of municipal golf services. This may include a revision of rates and tee times. However, this could be problematic given that Council establishes and approves the green fees annually. Alternatively, PF&R could examine the feasibility of a P3 for one of the courses to include a conference facility/restaurant operator that could help build a facility and assist with operation.
2. The City could consider closing one or two of the courses that are of lower calibre and under-utilized in order to reduce costs. In making this determination, the City should be cognizant of the long-term benefits of the underperforming Dentonia Park course which offers unique programs such as Family Golf Nights which potentially nurtures interest in golf among the younger demographic. In contrast, if courses such as Dentonia continue to lose money, then the City should consider closing the facility.
3. Given the high number of rounds played (compared to privately run courses) which can impact maintenance costs, it is recommended that fewer tee times be offered and that Golf Operations have the flexibility to offer market rates for golf. This would result in high quality service without impacting revenue/costs to the city. Further, it should also result in longer term course maintenance savings.
4. Recommend that all courses offer players the option to play either 9 holes or 18 holes or varied pricing for time of day. This option would result in higher turnover of players, which would increase revenue. This option would work well with an automated tee time system.
5. The City should establish greater incentives in agreements with the pro shop and catering. These incentives would entice contractors to generate more revenue which would help increase the bottom line. Efficiencies could also be achieved by extending the length of the agreements (e.g. to 5 years). This would reduce City staff time invested in Terms of Reference and Request for Proposal development, review, analysis, agreement review and development by Legal Division, etc. This also allows the contractor sufficient time to recoup costs and develop short to medium term strategies to improve services and increase revenues.

6. Recommend that Council set a range of fees that PF&R could adjust within would provide PF&R staff the flexibility (in consultation with the pro shop contractor) to reflect market trends in price schemes as required.
7. Recommend that a proportion (e.g. 50% of net golf revenues - which is similar to other jurisdictions) be reinvested back into capital infrastructure of the courses (club houses, horticulture, etc.) so as to improve the assets and customer satisfaction and experience.

4.2 SKI HILLS

The City of Toronto operates 2 ski hills in Centennial and Earl Bales parks. There may be potential efficiencies from a public/private partnership for the maintenance and operation, including capital investment, of the City's two ski/snowboard centres. This idea has been considered a number of times in the past. In June 2002 the ski/snowboard centres were considered for the Council mandated Alternate Service Delivery and Service Improvement Initiatives. Due to the capital investment required of a private operator and the length of lease expectations to be a minimum of 20 years for return on investment, a decision was made not to proceed with the release of the Request for Proposal to test private sector interest in establishing a public/private partnership for capital development and operation of the ski/snowboard centres. In 2010, a budget proposal to contract out ski/snowboard centres was approved, but due to lack of proponents for the RFP as issued, the ski/snowboard centres remain operated by the City. The issues causing lack of interest include the seasonal nature of the business, condition of the assets and the need for the proponent to pay for water and property taxes. The ski/snowboard centres have close to \$3 Million in capital improvements scheduled for the next 3 years.

This review re-examines the potential to contract out the maintenance, operation and capital investment of the City's ski/snowboard centres and includes an assessment of what conditions would need to be in place to generate external interest while ensuring the City's priorities are met.

4.2.1 CURRENT MUNICIPAL SERVICE PROVISION

The City currently provides and operates two seasonal ski/snowboard centres facilities at Earl Bales Park and Centennial Park:

- Centennial: 1 dedicated snowboard hill, 1 dedicated ski hill, 1 split hill; t-bar and conveyor lift
- Earl Bales: 3 intermediate, 1 beginner; free style park, double chair lift and rope tow

The typical operational season is in the order of 83 days from mid-December (17th) to mid-March, however this is weather dependent.

The facilities operate on a schedule from 10am to 9:30pm Monday to Friday, from 9am to 8pm Saturday and from 9am to 6pm Sunday; the schedule is adjusted during holidays. The facilities are closed December 25. The freestyle park area (Earl Bales) operates from 4:30pm to 9:30pm weekdays and during normal hill operational hours on weekend days.

The City directly provides a variety of instructional programs for various age groups and skill levels (alpine and snowboard group and private lessons). The public may use the facilities for non-programmed use (public skiing and snowboarding) through the purchase of a lift ticket. The City also provides ski and snowboarding equipment rental service at both facilities.

The ski/snowboard centres and municipal program are oriented to participants of beginner and intermediate skill levels. There is an emphasis placed on children and youth participation which reflects the nature and characteristics of the two hills. Limited use by school groups also occurs. There is a reciprocal relationship with Chicopee Ski Club in Kitchener and the Earl Bales ski/snowboard centre for season pass holders.

Both ski/snowboard centres contain small scale, undersized, and dated indoor “chalet” facilities, which accommodate limited indoor seating for changing and resting as well as restroom facilities. Food and beverage services are provided at each in the “chalet” facilities by private sector concession, however it should be noted that each is limited in terms of scale of operations and service offerings.

The operation at Earl Bales employs temporary trailers to house instructors, ski school, rental and disabled change services. While not ideal from a service provision or efficiency of staff functions perspective, and at best a temporary or interim solution, this arrangement addresses the lack of adequate indoor facility space to accommodate these functions at the ski/snowboard centre.

Both ski/snowboard centres have limited outdoor site development and support facilities oriented to ski and snowboarding activities and users comprising night lighting, minimal seating areas, and vehicular parking areas.

Lift equipment, hill/snow grooming equipment and snow making equipment varies between the ski/snowboard centres in terms of age, condition and type. There are significant future capital investment requirements, some of which have been budgeted and planned for implementation in 2012/13 including a new quad chair lift and night lighting at Earl Bales, and minor improvements to the chalet facility.

4.2.2 PROGRAMMING, PUBLIC USE AND FEES (EARL BALES)

The following summarizes programming, public use and fees associated with the Earl Bales ski/snowboard centre.

Instructional Programs

Instructional programs are structured based on class teaching ratios consistent with industry standards:

- 3 years of age (supervised Terrain Area): Ski Beginner 3:1, Ski Experience 3:1
- 4-5 years of age: Ski Beginner 5:1, Ski Experience 6:1
- 6-8 & 9-14 years of age: Ski Beginner 8:1, Ski Experience 10:1, Snowboard Beginner 6:1, Snow board Experience 8:1
- 15 years+: Ski Beginner 8:1, Ski Experience 10:1, Snowboard Beginner 6:1, Snowboard Experience 8:1
- 9-14 tears of age & 15 years+ - Specialty Programs: Ski Experience 10:1 and Snowboard Experience 10:1

Programs are structured based on level of use/ability: terrain garden for preschoolers, beginner run, experienced beginner run, and intermediate. This is consistent with industry standards and the nature of the hill terrain.

The range of programs provided is consistent with industry standards:

- Private lessons are offered at a range of times.
- Ski and snowboard leadership programs and instructor training are offered.
- Racing programs and learn to race programs are offered.
- Free style programs for both ski and snowboard are offered.
- Winter and spring break ski and snowboard programs are offered.
- 4 and 8 week programs are offered.

Programs are structured to facilitate participation by those who have never skied or snowboarded through “discover” programs where participants also have the opportunity of forming their own group. This is consistent with industry standards. Programs are also offered for those with special needs/disabilities.

Rules and Regulations

Existing rules and regulations concerning forms of payment, cancellation notice non-show charges, timing, late policy, student classification, and helmets are consistent with industry standards.

Fees and fee structure

The municipal service is based on a detailed range of fees structured by type/level of use/user age associated with instructional programs, use of facilities (lift tickets) and equipment rental. For the most part these reflect the level of service provided at the municipal ski/snowboard centres and are less expensive than those charged at other ski areas in Ontario. There may be potential in the future to refine the fee structure to reflect industry standards in terms of differential rates for prime and non-prime time use.

4.2.3 OPERATIONAL PERFORMANCE BENCHMARKS

There are no formal operational performance benchmarks applied to guide the evaluation of the municipal ski/snowboard service operation. Data concerning the municipal operation was not available on a consistent or comprehensive basis for the following factors:

- Days of operation: trend for last five years; for each and in total
- Program registration: trend for last five years; for each and in total
- Sales of lift tickets: trend for last five years; for each and in total
- Rental sales: trend for last five years; for each and in total
- Food and beverage revenue: trend for last five years; for each and in total
- Operational expenditures: trend for last five years; for each and in total
- Operational revenues: trend for last five years; for each and in total
- Financial performance: trend for last five years; for each and in total

Recent financial data provided by PF&R suggests that the operation of the two ski/snowboard centres combined resulted in net cost in the order of \$261,000 in 2011. However it is noteworthy that while Centennial Park operations resulted in net operational revenue in the order of \$75,000, Earl Bales operations resulted in a net loss of \$336,000. Further, the loss at Earl Bales can be partly explained by the failure of the lift and lack of snow this year which inhibited use and revenue generation.

Based on the information provided, the main cost differential was associated with staff costs and that revenue generated at Earl Bales was not proportionally higher as a percentage of staff costs (Table 7). While a detailed review of financial performance was not undertaken, it would appear based on the information provided that the financial performance of Earl Bales operations are of concern in terms of the net cost of the provision of operations and service provision at this centre.



Table 7: Financial Summary- Centennial and Earl Bales Ski Centres

Parks, Forestry & Recreation Financial Summary (\$ 000's) Centennial (Etobicoke & York) & Earl Bales (North York) Ski Centres									
	CENTENNIAL SKI CENTRE			EARL BALES SKI CTRE			SKI HILLS - CONSOLIDATED		
	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2010 ACTUAL	2011 ACTUAL	2012 BUDGET
SALARIES & BENEFITS									
<i>PERM STAFF & GAPPING</i>	41.2	29.7	62.1	272.2	288.1	350.8	313.4	317.7	412.8
<i>RECREATIONAL WORKERS</i>	543.4	473.1	485.5	744.2	701.4	656.8	1,287.7	1,174.5	1,142.3
<i>416 SEASONAL WORKERS</i>	18.8	18.0	19.5	26.1	7.2	9.3	44.8	25.1	28.8
<i>OVERTIME</i>	2.0	1.5	9.4	29.2	28.5	11.9	31.2	30.0	21.3
<i>VACATION PAY</i>	27.5	24.7	25.5	37.0	35.0	33.3	64.5	59.7	58.9
<i>BENEFITS</i>	57.9	52.7	66.2	132.8	132.0	157.3	190.7	184.8	223.5
TOTAL SALARIES & BENEFITS	691	600	668	1,242	1,192	1,219	1,932	1,792	1,888
MATERIALS & SUPPLIES	20.5	60.0	33.4	82.5	74.6	68.3	102.9	134.7	101.7
UTILITY COSTS	66.7	82.7	79.4	36.8	39.4	36.1	103.5	122.1	115.5
EQUIPMENT	36.5	5.9	9.3	3.5	13.9	24.9	39.9	19.9	34.2
SERVICES & RENTS	70.3	64.4	46.7	99.3	133.5	63.3	169.6	197.9	110.1
INTERDEPARTMENTAL CHARGES	63.0	27.1	12.5	18.0	7.3	7.7	81.0	34.4	20.2
GROSS EXPENDITURES	947.7	839.8	849.6	1,481.6	1,460.9	1,419.7	2,429.3	2,300.7	2,269.3
FEES, SERVICE CHARGES	189.3	153.0	221.8	87.9	62.5	107.1	277.2	215.5	328.9
REGISTRATION FEES	679.9	595.7	683.8	1,007.7	832.4	699.3	1,687.7	1,428.0	1,383.1
TICKET SALES	179.8	142.3	274.9	252.5	190.3	277.3	432.3	332.6	552.2
MEMBERSHIP REVENUE	23.2	23.6	-	31.5	35.4	22.4	54.6	59.1	22.4
CONCESSIONS, ADVERTISING & RENTS	-	-	-	3.1	4.0	4.0	3.1	4.0	4.0
MISCELLANEOUS REVENUES	74.6	0.0	-	75.5	0.1	8.4	150.1	0.2	8.4
REVENUES	1,146.9	914.6	1,180.5	1,458.1	1,124.8	1,118.5	2,605.0	2,039.4	2,299.0
NET EXPENDITURES	(199.2)	(74.8)	(330.9)	23.4	336.0	301.2	(175.7)	261.3	(29.7)
Notes:									
1. 2011 Actual as of P13 - Feb 13 2012									
2. 2012 Budget - Approved by Council - Upload File prepared Feb 15 2012									
3. The Financial Summary includes Ski Hill Operations (Parks) as well as Recreation Services (Instructional & Drop-in)									

4.2.4 SERVICE PLANNING AND DELIVERY ISSUES

a) General Ski and Snowboard Trends

The operation of ski hill and ski program service is not traditionally a municipal recreation service in Ontario or most Canadian municipalities. This is in part a consequence of the pre-determinants of topography and climate. Northern Ontario municipalities may provide this type of service largely due to a combination of suitable topography and favourable climate conditions that are conducive to the activity.

The ski/snowboard Industry has undergone considerable recent changes including: shifts in demographics of users; increased popularity of snowboarding and to a lesser extent tubing; increased number of larger scale residential resort developments; increased awareness of safety concerns (specifically helmets); and significant changes in equipment (both skis and snowboards). Smaller scale operations are increasingly experiencing financial distress.

National ski and snowboarding industry associations are establishing strategic directions and priorities to engage “new Canadians” in the activities.

Of particular importance to the operational context in the City of Toronto is the change in winter weather and climate; shorter, warmer winters present a significant constraint and threat to the viability of ski/snowboard centre operations as the number of potential operational days is not assured.

It is also important to note that skiing is still perceived by many to be an elite and expensive type of outdoor recreational experience and as such these perceptions continue to be a barrier to participation and interest in the activity of skiing among a portion of the population. There has also been increased concern associated with the safety of participation in skiing as recent research has reported a greater incidence of personal injury in the activity compared to recreational activities such as hockey. Snowboarding has not been affected by these perceptions to the same degree and has witnessed significant growth in participation and interest specifically among youth, teens and younger adult age segments.

Many ski hills have developed non-snow season attractions and activities such as mountain biking to increase use (and revenue) during the “green” seasons. However these are not a fundamental issue or concern related to the viability of the provision of the municipal service in Toronto either by a third party or by the City.

b) The Toronto Operational Context

The planning and delivery of the municipal ski service has been subject to a number of different strategies in recent years. None led to a specific outcome. In effect, service planning and provision may be considered to be in a state of “suspense”. Many of the previous service planning efforts have not been documented or retained as a resource, and references to research done in the past were unable to be substantiated through this review.

The various operational approaches in the recent past have negatively impacted the planning and provision of this municipal service. Decisions concerning capital investment, improvement and development have been delayed. The rationale or operational benefit of some capital improvement decisions have not been well documented and some previous efforts did not focus on service viability issues and strategy but rather on the expansion of facility and operations to a year round destination without any rationale or market indicators that this was of primary importance, an investment of strategic value, or a priority for service improvement and operation.

PF&R have developed basic operational and maintenance standards for the ski/snowboard centres (*"Parks Operations Service Delivery Standards – Ski/Snowboard Operation"*), however they are more a descriptive tool than a management guide; and as such, do not support assessment or evaluation of operational performance. These operational and maintenance standards should be more fully developed in the short term future.

PF&R currently uses its budget and performance measures to guide decisions associated with the planning and delivery of programs and activities, user fees, and facility operation associated with ski/snowboard centres. PF&R has approval for the acquisition and installation of a new IT strategy that will facilitate the collection of basic service provision metrics (which historically have not been available/used) to guide and inform service delivery or operational strategies. Such data will assist with tracking the nature of use, revenue sources, and cost of service provision to inform business planning strategies. Hence, it is imperative that the IT system be installed and operational during the 2012 fiscal year. The collected data will allow PF&R staff to best determine the nature of public demand for the service, the characteristics and composition of this demand, price sensitivity, level of public awareness of the municipal facilities, etc. to inform business planning and strategy development.

The output of information from such an IT system will also assist with strengthening the understanding of the relationship between the public programs/activities directly provided by the City, general public use and revenue generation. It would also be desirable to examine the financial implications of establishing an annual capital replacement and refurbishment contribution from operations as is typically the case in the industry. The industry standard is 5% of the value of the asset to go towards the state of good repair fund.

Current arrangements for accommodation of rental services at Earl Bales are adequate and could be more efficient. The equipment rental facility's location is not optimal as it is separate from the chalet. This creates a barrier to communication between staff. All rental processes are performed manually which is time consuming, cumbersome and could result in some errors. Manual processes do not support analysis, tracking, control, performance measurement, and end of day revenue statistics.

The ticket sales area at Earl Bales is not optimally laid out or physically configured for sales staff and the public. The Chalet facility is physically and visually overwhelmed by current uses,

equipment and furniture. Food and beverage service at Earl Bales is minimal and could be enhanced to be of a comparable standard (basic levels) at private facilities.

Currently, there is minimal promotion and marketing of the municipal ski/snowboard service. However, there is value in establishing a strategy to position the marketing and promotion of the municipal service in terms of specific target market segments. Many users are new to skiing or snowboarding and also are new Canadians; however marketing and promotion approaches are not specifically designed or directed to these target market segments.

Both operations have infrastructure and operational equipment issues that require significant capital investment both in terms of on-going maintenance and repairs as well as updating, replacement and refurbishment to maintain safety standards and user expectations. As noted earlier, it would be desirable to establish an annual capital replacement and refurbishment contribution from operations of approximately 5% of the value of the asset (industry standard).

Plans are underway for specific capital improvements at Earl Bales ski/snowboard centre including a new quad chair lift, night lighting, chalet renovations and a maintenance/operations shed. These are not linked to a service provision plan or strategy and are being undertaken separate from and in isolation from decisions concerning the future of the provision of this service. They are based on the assumption that this service will continue to be provided at Earl Bales in the future and for a length of time that will justify the capital investment.

The skill set required for operational duties at the ski/snowboard centres are unique and specialized. There is no succession planning or apprenticeship program in place at the centres. It is difficult to find staff with specific ski operation experience and credentials, residing in the GTA area. These factors increase the complexity of operations as well as present a potential challenge to efficient operations over time.

There is limited sharing and co-ordination between the two ski/snowboard centres. There is potential to improve general efficiency of processes, roles and responsibilities including planning and program implementation through improved coordination of activities and resources between the ski/snowboard centres.

The seasonal nature of operation and service provision has significant implications to the type of operational culture and environment required to be successful in the industry. The snow season may vary in duration which emphasizes the need for operational contingency plans and strategies. The need to schedule activities related to public use and programming in advance combined with uncertain weather conditions requires the organizational and operational capacity to make decisions and implement actions in a timely fashion. This operational context is perhaps more time sensitive than many other types of municipal recreation service provision. However the current structure and processes do not support or encourage quick response, effective contingency planning or timely decision making.

The costs associated with municipal water and property tax would be significant expenditures to a non-municipal operator. Further, pricing structures do not distinguish between peak/non-peak time periods and are annually set by Council which could act as a deterrent to non-municipal operators.

c) The 2010 RFP

The 2010 RFP document is primarily focused on ensuring risks/liability to the City and the City's rights. There is very little related to the "business and operations" of the ski/snowboard centres, the value of the opportunity, operational framework and capacities that would support the agreement and the operator.

Basic operational data concerning operational performance, the status of physical assets and valuation were either not provided or not at a level of detail that would inform and support evaluation of the risks and potential of the opportunity. Capital investment is dealt with in a cursory fashion.

Regardless of the context or viability of the proposition, the RFP document reads more like a modified concession contract.

4.2.5 COMPARABLE OPERATIONAL APPROACHES

(a) Municipal/Public

There are no directly comparable municipal ski/snowboard facility operations in Southern Ontario. The municipality of Brampton operates a skill hill service Chinguacousy Ski Centre (Mt. Chinguacousy) however the "hill" is only 69' and level of asset investment is minimal. Conservation Halton operates Glen Eden Ski and Snowboard Centre in the Kelso Conservation Area, Milton. These are the only municipal/public operations in the general area of Southern Ontario. Information concerning both the Brampton and Conservation Halton facilities is presented in Appendix "B".

A number of municipalities in northern Ontario operate ski centres, such as Sudbury although climatic/weather conditions which are a fundamental operational determinant are dramatically different, meaning that comparison of operational approaches and service strategies with those in the Toronto context are meaningless.

It is noteworthy that the City of Hamilton attempted to source a private sector operator in 1999 for the municipality's Chedoke Winter Sports Park which included a ski operation. The process resulted in only a single bid on behalf of existing municipal employees, no private sector interest was expressed. Council subsequently closed Chedoke Winter Sports Park in 2003.

(b) Private Operation

The research identified only one example where a private sector organization operated a municipal ski hill or service in Ontario. The Big Ben Ski Centre in Cornwall represents a private sector provision of a municipal ski service, in that the municipality leases from a private sector company the rights to operate a small ski facility on a land fill and dump owned by the private

sector. The municipality has an operating agreement with a local private sector company to operate the service. The City has been sub-contracting the operation to the private operator since 1996 based on a management fee in the order of \$25,000/year. The Centre is a focus for winter activities and special events. Due to the specific operational context and the small scale of facility development, programming and use, this example should be considered a unique proposition specific to the local area and context and does not represent a model for assessment as suitable for comparison with Toronto's municipal ski/snowboard centre operations.

As was previously mentioned, the City of Hamilton attempted to source a private sector operator in 1999 for the municipality's Chedoke Winter Sports Park which included a ski operation. The process resulted in only a single bid on behalf of existing municipal employees, there was no interest on behalf of the private sector. Council subsequently closed Chedoke Winter Sports Park in 2003.

The market situation for private sector operation/management of a municipal ski service in Southern Ontario is such that there are no viable private sector organizations currently engaged or active in this type of business or that have an interest in such a proposition. This situation is not likely to change in the future given the financial risks associated with such operations.

(c) Other Governance / Operation Models

There are other approaches to the governance and operation of ski facilities in Ontario including:

- *Private Ski Clubs:* Such as Dagmar, Hockley Valley, Horseshoe Valley, Mt. St. Louis Moonstone, Snow Valley, Alpine, Blue Mountain, Craigleith, Mansfield, Georgian Peaks, Uplands.
- *Not for Profit Ski Clubs:* Such as London Ski Club, Chicopee Ski Club (Kitchener), Laurentian Ski Club (North Bay and Mattawa), Brimacombe Ski Club (Oshawa) and Batawa Ski Club (Batawa).

The not for profit/community based model has been a very successful approach used throughout Ontario. An excellent example of a community based approach is the Chicopee Ski Club. The following describes the main aspects of its operations.

- The Chicopee Ski Club is incorporated as a non-profit entity owned by its members and has been in operation for 75 years. It is an urban ski area and summer resort recognized as a premier learning centre located in the Kitchener-Waterloo market area.
- The Club's main market area includes Kitchener, Waterloo, Cambridge, Guelph and surrounding areas. Snowboarding was introduced in 1995/96. The facility is marketed as a family destination.
- Chicopee currently has nearly 5,000 members in the winter. Chicopee is continually in the top 5 for skier visits in the province of Ontario, claiming almost 200,000 winter guests each year.

- The Club leases 165 acres from the Grand River Conservation Authority. All facilities, lifts, equipment etc. on the land are wholly owned by the Club.
- An elected Board of Directors of ten volunteer members represent the membership as a governance board and assist in providing support to the organization. The Club is managed by an Executive Director and senior management team including 30 full time, year-round employees and 400+ seasonal and part-time employees in the winter season.
- Excess revenues are reinvested in the Club to improve its products and services.
- The Club recently established a “Capital Refurbishment Fund” which imposed a fee surcharge (extra \$4 on a full day lift ticket, \$1/day in a class) on all lift tickets, programs, lessons and camps to be used exclusively for investments in chairlifts, grooming equipment and snowmaking.
- The Club has developed an extensive network of “Reciprocal Partners” and “Sponsors.”
- The Club makes extensive use of volunteers in aspects of its operations including: special events assistants, meet and greet chalet host, school group organizer, market research, and rental operations.

The potential operation of the City’s ski/snowboard service based on either the “not-for profit” or community based group/cooperative model is not currently a viable or realistic alternative service delivery option for the City. It could be examined as a strategy for the potential long term future however there is no existing “community” to be the organizational foundation or to develop the capacity to eventually assume the operation of the City ski/snowboard centres and provision of the municipal service. To move from the current situation to a point where such an arrangement may be viable, will require a significant investment in staff time and resources to cultivate and develop a community based organization that could eventually assume these roles. Given the significant threats and risks associated with the operational environment associated with a diminishing operational season due to climatic changes, it is concluded that this option is not a realistic approach for the City. This conclusion is further reinforced by the fact that PF&R currently lacks the staffing resources to undertake a significant role in the development of a community based organization solely focused on the ski/snowboard centre service.

4.2.6 OBSERVATION, CONSIDERATIONS AND RECOMMENDATIONS FOR SKI HILL OPERATIONS

The analysis has concluded that the potential for contracting out of the operation of this service to the private sector is not currently, nor will it be in the foreseeable future, a realistic potential alternative service provision strategy. The rationale for this conclusion is summarized below:

- a. The nature of the current ski business environment and local (Toronto) context for this type of service.
- b. The high risk associated with this type of seasonal business particularly given climatic changes which have major implications to the number of operational-revenue days and financial viability of operations.
- c. The absence of any capacity in the private sector which results in a lack of a competitive market of potential service providers (bidders).

- d. The nature of the existing municipal ski/snowboarding facilities and their current physical condition result in a level of investment and ongoing capital contributions of an order of magnitude that is significantly beyond any potential net operational revenue.
- e. The significant additional operational costs associated with water fee charges and municipal tax fees that private sector operation of the municipal assets would result in.

Further, the underlying conditions that led the consulting team to this conclusion are such that they are beyond the capacity of the City to alter to a degree sufficient to establish the pre-conditions for competitive private sector interest in this service as a viable business opportunity. The combination of the basic risks associated with this type of operation and the specifics of the municipal assets and service context result in an unviable business proposition for the private sector, notwithstanding the reality that there currently are no private sector organizations active in this sector in the GTA. The requirement for any third party operator to comply with municipal policies related to public access, pricing, accessibility, etc. would compound the risks.

A potential future strategy focused on further development of additional attractions and revenue streams oriented for use during the “green” season at the ski/snowboard centres as a means to improving the business viability and potential attractiveness of the assets as a business/investment opportunity for the private sector would not be appropriate since the basic winter operations are not financially viable as a private sector operation.

Further, there is no potential for contracting out the operation of the ski/snowboard centres on a *fee for service basis* given the absence of any private sector capacity or presence in this sector in the City’s trade area. It is reasonable to expect that either there would be no bidders or those that do bid may not be qualified operators with the requisite skills, expertise and capacities. None of these factors will likely change in the foreseeable future.

There is potential to continue to contract out the food and beverage component of operations, however the current arrangement is only marginally supporting City service provision as a complementary service and is not a significant source of net operational revenue for the City.

Current ski and snowboard equipment rental functions could potentially be contracted out to a third party, however insufficient data exists as to whether the current operational approach is producing net operational revenue which should be a fundamental consideration in the assessment of the benefit of contracting out of this function. Current approaches and processes are inefficient from a staff resource /time utilization perspective and involve many manual actions and transactions. It is reasonable to expect that significant work process and flow efficiencies could be realized through the implementation of automated inventory control and rental technologies common in the private sector ski business. However the financial cost/benefit of implementation of such technological improvements has not been assessed. It was already noted that PF&R is in the process of establishing such information management systems.

The potential for an alternative service delivery approach based on the creation of a community based group of ski and snowboard enthusiasts that can evolve into an organization with the capacity and capabilities to oversee the operation of the ski/snowboard centres and the provision of ski services, programs and activities to the public is a theoretical alternative. However to realize this, the City would have to invest significant staff time and resources to the creation, facilitation, and support of the development of such a group and the process may take, optimistically, at least five years to establish. Further, due to the nature of the operations and use, the creation of such a community based group would be compromised by the fact that the ski/snowboard centres are at best entry level skiing opportunities and as skills are developed participants will migrate to facilities with a higher degree of skill. Even if such a group was established it is unrealistic to expect that they would be able to generate funds sufficient for the ongoing maintenance and repair and longer term refurbishment and replacement of major equipment and as such the City should expect to be required to continually support their operation. The significant operational risks associated with the impact of changing climatic conditions on the number of operational days would be a significant impediment to operational viability regardless of the governance structure.

As a result, we conclude that Alternative Service Delivery options are not currently, nor in the foreseeable future, a viable approach for the City's ski/snowboard centres.

Ideally the City should consider withdrawing from the provision of the ski/snowboard service and operation of the associated facilities. There are no viable alternative service provision options and it is likely that changes in winter climate will increasingly compromise the provision of this service. However Council has continually supported the provision of these services as a priority municipal public service for residents, and as such and assuming that Council continues to support the provision of this service there are two alternative strategies that may be considered as operational approaches for the future provision of the City ski/snowboard centre services as described below.

Alternative A: Rationalize Level of Service Provision to Reduce Risks and Costs to the City

This alternative is focused on the objective of reducing the financial risk and costs to the City of the provision of this ski/snowboard centres through the rationalization of the level of service provided by closing the Earl Bales ski/snowboard centre and concentrating the delivery of City ski/snowboard service provision at the Centennial Park ski/Snowboard centre site. Expansion or enhancement of assets at Centennial Park should focus on those that have the greatest benefit to the operation of the ski/snowboard service and should not focus on the "green" season.

A significant implication of this alternative would be the decision not to proceed with the planned capital improvements and investments associated with this service at Earl Bales and to re-direct this capital investment to fund improvements in operational equipment, chalet refurbishment and technology upgrades (for processes such as equipment rental operations) at the Centennial Park ski/snowboard centre that have the greatest potential of increasing use and revenue generation and reducing the cost of operations.

This alternative has significant negative impact to the public in terms of access to the service as it would involve the closing of the Earl Bales ski/snowboard centre.

Alternative B: Consolidate Operations and Manage Risk and Costs

This alternative would maintain the current level of municipal service provision of two ski/snowboard centres and focus on the objective of managing the financial risk and costs through restructuring and re-positioning the service.

In this alternative the City, through PF&R, would re-engineer the planning, delivery and operation of the municipal ski/snowboard centres service focused on the integration of operations into one unit. A specific business plan would be developed to guide operations and public programming in a manner to maximize use, revenue generation and operational efficiency focused specifically on the ski and snowboard business. Expansion or enhancement of assets and use for the “green” season should not be considered as part of this alternative.

This alternative has negligible impact to the public in terms of access to the service.

Alternative B is the preferred approach that should be used as a framework to guide decisions and operational planning for the future delivery of the City ski/snowboard service. The following identifies operational restructuring actions that are fundamental to the objectives of managing the financial risk and costs of the provision of this service.

- Combine Earl Bales and Centennial Park ski/snowboard centre operations into one operational “enterprise” unit. Integrate facility operations and maintenance and the planning and delivery of the public programs and activities and public use functions into one operational service unit.
- Prepare a short term (three year) business plan to guide operational decisions and actions structured to support operational flexibility and entrepreneurial approach specifically to marketing and revenue generation. During the three year period, focus specifically on operational procedures, service planning and delivery directed to maximizing revenue generation from operations (through increased use, revised pricing structure, increased yield per visit, increased revenues from food and beverage, etc.) and overall financial performance.
- Develop an aggressive special event, advertising, and sponsorship program. Specifically target private sector ski operators as sponsors based on the development of a value proposition focused on the central role the City’s ski operations play in developing markets for private ski operators. Seek sponsorship for both on-going operational funding as well as special events/major equipment.
- Examine sponsorship potential for equipment rental operations including supply of equipment.
- Improve equipment rental inventory control and automation.
- Examine and assess maximum revenue contribution potential associated with food and beverage operations (which could include continued contracting out or bringing “in-house”).
- Develop revised user fee structure to expand service offerings based on market demand.

- Track and monitor use data and visitor satisfaction.
- Prepare a capital investment strategy focused on those assets that have greatest impact on operational performance (equipment rental and lifts) and customer services. Undertake capital upgrades and major maintenance investments that are related to health and safety, and improved service delivery and potential revenue generation.

4.3 FARMS

The following section analyses and presents findings based on the available information for City run farms/zoos (not including the Toronto Zoo).

Among respondents who commented on City parks services during the Core Service Review completed by KPMG in 2011 for Toronto, operating the High Park Zoo and farm attractions received the lowest average score when ranked against other park activities such as maintenance.

4.3.1 JURISDICTIONAL REVIEW

The following section provides an overview of selected farm and zoo operations in several North American jurisdictions that are (relatively) comparable to Toronto. It should be noted that all the jurisdictions reviewed have developed services and programs (for farms/zoos) to address unique needs of their populations.

An extensive review examined farm and zoo operations in the following jurisdictions:

- | | |
|------------------|---------------|
| ❖ London | ❖ Vancouver |
| ❖ Thunder Bay | ❖ Victoria |
| ❖ Ottawa | ❖ New York |
| ❖ St. Catharines | ❖ Chicago |
| ❖ Montreal | ❖ Milwaukee |
| ❖ Winnipeg | ❖ Seattle |
| ❖ Saskatoon | ❖ Los Angeles |
| ❖ Calgary | |

A summary of the findings from this review follows in the section below.

Ownership

The review revealed that for the most part, ownership of the land on which the farm and zoo operations reside rests with the city governments. Specific ownership information was not forthcoming as most of this was not publicly available from the websites and documents reviewed. Many of the jurisdictions reviewed have partnered with local organisations to assist with the operations while some retain both ownership and operational responsibilities. This is discussed in more detail in the section below. There was no specific indication of whether these third-party organizations/agencies had an actual stake in ownership of the land on which the farms and zoo services were provided to the public.

Some jurisdictions have opted to cease operations of farms and zoos. The City of Vancouver closed down the Children's Farm in Stanley Park in January 2011 after the facility ran an annual deficit of \$166,500 from 2007 to 2009⁹. Requests for Expressions of Interest sent out to solicit offers to operate the facility yielded two responses; one entity subsequently withdrew their

⁹ Vancouver Board of Parks and Recreation (2010). Staff Report. *Closure of the Children's Farmyard in Stanley Park*. Available: <http://vancouver.ca/parks/board/2010/100920/ChildrenFarmyard.pdf>. Viewed: January 2012

offer and the other did not meet the financial obligations needed to run the Children's Farm¹⁰. The staff report also states that the facility may be unattractive to third party entities due to existing debt and repairs (approximately \$50,000) that new owners would take on.

The City of Montreal closed down Angrignon Farm and has no plans to reopen the facility as of the time period the review was completed¹¹. The review did not establish the specific reason for the decision to close the facility.

Operations

A significant number of the jurisdictions reviewed have turned over farm and zoo operations to third party agencies and/or organizations. In Victoria, Beacon Hill Farm, which is owned by the City, is operated by the Koenders family in conjunction with the Beacon Hill Farmers Society.



A similar arrangement exists for the Ecological Farm at Cap St. Jacques Farm in Montreal which is administered by D-Trois-Pierres¹². The Cap-Saint-Jacques Nature Park is run by the Équiterre's ASC community-supported farming network. As part of this arrangement, partners in the network obtain weekly food baskets in return for their contribution to the facility's operations.

In Chicago and Milwaukee, the management of farm operations has been turned over to Growing Power, a national non-profit organisation and land trust¹³. This arrangement includes placing responsibility on Growing Power to manage resource development and technical assistance needed to support emerging community food centres and urban and small farm projects in the metropolitan Chicago area. The organisation manages Milwaukee's last remaining urban farm and greenhouse operation which provides the opportunity to sell produce at the on-site store¹⁴.

¹⁰ Ibid

¹¹ City of Montreal. (2011). *Discover the City's Large Parks*. Available: http://ville.montreal.qc.ca/portal/page?_pageid=175,4804175&_dad=portal&_schema=PORTAL&nomPage=bt_parce_03. Viewed: January 2012

¹² City of Montreal. (2011). *Cap-Saint-Jacques organic farm*. Available: http://ville.montreal.qc.ca/portal/page?_pageid=175,4878781&_dad=portal&_schema=PORTAL&nomPage=bt_parce_07. Viewed: January 2012

¹³ Growing Power. (ND). *Our Farms*. Available: http://www.growingpower.org/our_farms.htm. Viewed: January, 2012

¹⁴ Ibid

Funding

A number of jurisdictions have adopted various mechanisms to generate revenue to support farms and zoos within their urban areas. In Victoria, Beacon Hill farm requests a suggested donation of \$3.50 for adults and \$2.50 for children¹⁵. In addition, the City has a 'sponsor an animal program' whereby a person donating \$25 or more received a certificate with a colour photograph of the animal they have chosen to sponsor. Another innovative approach is the 'Hay for a Day Sponsorship Program' where one can purchase enough hay to feed all the animals for \$30. In return, the sponsor receives a certificate with a color photograph of the Beacon Hill Children's Farm hay truck. In discussions with the Farm principal owners, at these suggested donations, number of visitors and other sponsorship activities, Beacon Hill has been able to cover its operating cost the last five years. However, the owner did state that this was not the case 27 years ago, and that current suggested donations amounts were required given the rising costs of staples such as hay and fuel.

In Saskatoon, several areas of the Saskatoon Forestry Farm Park and Zoo are available to rent for special events such as weddings, and barbeques¹⁶. The Saskatoon Zoo Foundation raises funds for capital improvements.

The City of Montreal's has a diversified revenue stream approach. The Cap-Saint-Jacques organic farm offers free admission and charges a fee for various activities such as rides on horse-drawn wagon and pony rides, has a general store on site and a pavilion selling coffee and hot chocolate¹⁷.

Los Angeles has reached out to private funding. The Winnick family provided a naming grant which in part, enabled them to obtain naming rights to the Winnick Family Children's Zoo which includes Muriel Ranch¹⁸.

4.3.2 OPERATIONAL CONTEXT AND OPERATING MODELS

Farms/Zoos Operational Context

Farm and zoo operations are supported by a total of 10 permanent and 1.1 seasonal FTEs broken down as follows (Table 8):

Table 8: Farms/Zoos FTEs

FTEs	High Park Zoo	Far Enough Farm	Riverdale Farm
Permanent	3.0	2.0	5.0
Seasonal Workers	0.1	0.7	0.3
Total FTEs	3.1	2.7	5.3

¹⁵ Beacon Hill Children's Farm. (ND). Available: <http://www.beaconhillpark.ca/childrenspark/>. Viewed: January 2012

¹⁶ City of Saskatoon. (2011). Saskatoon Forestry Farm Park and Zoo Rentals. Available: <http://www.saskatoon.ca/DEPARTMENTS/Community%20Services/LeisureServices/Facilityrentals/Pages/SaskatoonForestryFarmParkandZooRentals.aspx>. Viewed: January 2012

¹⁷ City of Montreal. (ND). Cap-Saint-Jacques organic farm. Available: http://ville.montreal.qc.ca/portal/page?_pageid=175,4878781&_dad=portal&_schema=PORTAL&nomPage=bt_parce_07. Viewed: January 2012

¹⁸ Winnick Family Foundation. (ND). Grants. Available: <http://www.winnickfamilyfoundation.com/grants.html>. Viewed: January 2012

Riverdale is the largest of the three operations and therefore has 50% of the FTEs.

Table 9 presents a financial summary of the 2011 approved operating budget excluding programs for the three farms. Costs associated for High Park and Far Enough are similar - \$227,000 and 221,000 each respectively. Riverdale Farms is more than double the costs of either of the other two farms at nearly \$500,000.

Table 9: Farms / Zoos Operating Budget 2011 (excluding any programming costs)

Category	High Park Zoo	Far Enough Farm	Riverdale Farm
Salaries and Benefits			
<i>Permanent Staff & Gapping</i>	150,274	100,183	256,528
<i>416 seasonal workers</i>	5,296	33,329	15,007
<i>Overtime</i>	-	-	15,551
<i>Vacation Pay</i>	344	2,166	975
<i>Benefits</i>	40,611	35,036	73,638
Total Salaries and Benefits	196,525	170,714	370,700
Materials and Supplies	26,703	34,248	30,300
Equipment	-	-	996
Services and Rent	4,685	16,230	91,904
Gross Expenditures	227,912	221,191	493,900
Revenue	-	-	-
Net Expenditures	227,912	221,191	493,900

In the 2012 budget submissions, the indicated savings related to the closing of both High Park Zoo and Far Enough farms was \$225,000 (i.e. annualized costs of operations with slated closure in late June). Financial data from PF&R noted the typical operational costs of High Park zoo to be \$227,000 and \$221,000 for Far Enough Farm (Table 10). Interviews with staff found that some staffing pressure is created when one staff member is unavailable to work due to the small staff complement. Partnership with local agencies could provide a source of volunteers to help fill in staffing gaps for new activities (e.g. tours). However, this can be problematic with the current collective agreements which require that regular activities be conducted by union staff.

Further, the option to have volunteers run operations at High Park is not entirely viable given the need for specialization in animal husbandry. Volunteers could support in terms of helping to relieve occasional staffing pressure for tasks that do not require specialized training and education.

Closing the High Park Zoo is not an ideal option given the cost associated with site remediation such as new turf, removal of structures (old paddocks), new capital infrastructure etc. Further, long term use of the site will define longer term park maintenance needs and costs.

Community based volunteer group operating model

A number of jurisdictions have adopted this model in various forms, in part, in order to reduce operational costs. Successful models have been tried and tested in Montreal, Chicago and Milwaukee. These models allocate volunteer resources to partner agencies and organisations that have absorbed what would otherwise be an on-going cost to the city. Our review could not reveal specific cost savings attributed to this model.

In Toronto, several networks of urban agriculture groups exist such as the Toronto Community Food Animators Project. In addition, interest and participation in farmers markets across the City continues to grow¹⁹.

From this assessment, community involvement in management of City Farms, (if tasked appropriately), may leverage fund-raising/donations, volunteers assuming operational tasks and other resources that may reduce the financial burden borne by the City. Specific cost savings would depend on the governance structure that the City adopts and the responsibilities that are passed on to the partner agencies.

It is important to point out that revenue generated from such an arrangement is unpredictable due to prevailing market conditions making revenue projections difficult. In addition, an influx of additional farmers' markets may result in additional work related to clean up of public areas. This can be mitigated through a comprehensive governance framework to guide roles and responsibilities and to define the City's obligations and/or liability.

Conservancy Model

A conservancy model is a not for profit organization that has the same governance structure, rules, operations and nuances as a City Agency, Board or Commission. It receives limited funding from another governing body (e.g. municipality). The amount of the funding is typically determined by a formula that requires the Conservancy to raise and spend a specified minimum amount of private funds on an annual basis. For example, the Central Park Conservancy in New York's minimum annual expenditure — which can include maintenance, programming and landscape improvements — is \$5 million. The annual fee from the City depends on the Conservancy's expenditures in the Park and on the revenues generated by concessions in Central Park. Successful conservancies require certain population demographics such as significantly higher than average household incomes, and a membership with a proven track record for raising significant funds. Hence, such an option is not appropriate for any of Toronto's farms being examined in this process.

A number of jurisdictions reviewed as part of this study have adopted various approaches to a conservancy model intended to shift responsibility of farm operations over to volunteer groups. This model differs from the model above in that the municipal authority cedes some level of ownership of the land that is held by the community group.

¹⁹ Toronto Farmers' Market Networks. (November, 2011). Available: <http://tfmn.ca/>. Viewed: January 2012

In New York, the Trust for Public Land (TPL) has held the deed to 69 community gardens since 1999²⁰. The TPL transferred nearly 8 acres to local trusts: the Bronx Land Trust, Manhattan Land Trust and Brooklyn-Queens Land Trust²¹. In Canada, a 2008 study by the Land Conservancy of BC stated that provincial policy and legislation tend to create both opportunities and barriers for community [held] farms²².

The typical land trust draws most of its finances from its membership with day-to-day operations carried out by a team of volunteers. Additional revenue could be generated from grant applications as well as from proceeds from sale of produce.

A number of observations related to this model mirror those highlighted above in terms of shifting fiscal responsibility as a positive attribute and unpredictability of revenue given prevailing market and climatic conditions. It is important to note that this would remain the case regardless of whether the City maintains ownership or operations or if this is shifted to a third party. What makes the conservancy model challenging is the current fiscal challenge that the City is facing. Identifying a suitable conservancy group, negotiating lease terms, developing governance models, and exploring options such as 'before and after' land values requires dedicated resources and time. This confirms that a conservancy model is not appropriate for City run farms.

4.3.3 OBSERVATIONS, CONSIDERATIONS AND RECOMMENDATIONS FOR CITY OPERATED FARMS

The Following section presents specific recommendations for High Park Zoo, Far Enough and Riverdale Farm. Recent committee decisions have resulted in future changes to service provisions for the farms (including closure). The following recommendations are proposed in the event the City reconsiders the operation of farms in the future. The following can also be used to support a discussion prior to June 30 (Council Directive for Riverdale farm).

High Park Zoo

High Park zoo is home to a variety of animals and birds. The facility hosts fallow deer, mouflon sheep, wallaby, barbary sheep, American bison, yak, emu, west highland cattle, capybara and llama.



Capybara



Mouflon Sheep

²⁰ Munniksma, Lisa. (2011). *Land Locked*. Urban Farm. Vol 3. No 6.

²¹ Ibid

²² Gorsuch, Wanda. (2008). *Community Farms Program Feasibility Study*. The Land Conservancy of BC. Available: <http://www.ffcf.bc.ca/programs/farm/CFPdocs/Feasibility%20study%20CFP%20final.pdf>. Viewed: January 2012

1. City should consider facilitating the establishment of a targeted volunteer group (e.g. Friends of High Park Zoo) whose role is to raise funds to offset operating costs. The range in timing herein represents the acknowledgement that it may take up to 3 years to change cost structure and fully cover costs (or cover most costs). If after 3 years of minimal change in cost structure occurs, then the City should consider closing the zoo.
2. Consulting team recommends the City introduce a donation box as is the case in several of the jurisdictions examined. A donation of approximately \$1 from 10% of the park's 1,000,000+ visitors would raise a conservative estimate of \$100,000 – this is a conservative amount and less than what other jurisdictions suggest as donations. Beacon Hill Farm in Victoria suggests donations of \$3.50 for adults and \$2.50 for children; hence it is possible to generate further revenue from donations than the conservative estimate of \$1.00. This recommendation could be implemented immediately with low risk and immediate returns. Given that there will be no cash transactions, limited staff support is required. Further, given the minimal cash in the box on a weekly basis, the risk of theft is minimal: special boxes have been designed and are available that prevent/inhibit crime/theft.
3. Programs such as adopt an animal, hay for a day, etc. could provide a new revenue stream for High Park.
4. Leverage staff to deliver programming whereby patrons could pay for guided nature walks with some of the animals.
5. Examine sponsorship from nearby Business Improvement Areas, private corporations, and assess partnerships with feed mills for reduced costs on food.
6. Determine viability for development of a partnership with the Ontario Veterinary College to further reduce the veterinary costs for High Park Zoo animals.
7. That a conservancy model not be established or considered for High Park zoo, given the high risks, specialized training and understanding of animal husbandry, and likely instability (both governance and funding sources). There is a role for volunteers and sponsorship for High Park, but it does not require a governing entity. Successful conservancies (such as Central Park in New York) require certain population demographics such as significantly higher than average household incomes, and a membership with a proven track record for raising significant funds. Hence, such an option is not appropriate for High Park zoo.

Far Enough Farm

The farm is open year round and is located about a 30 minute walk from the Wards Island ferry docks. A variety of animals are found on this facility including horses, donkeys, pigs, peacocks, and rabbits.



The size and location of this facility on Toronto Islands make implementing changes challenging and more difficult to overcome in comparison to High Park Farm and Riverdale Farm.

8. Leverage existing entertainment partnership (i.e. Centerville) by revising RFP to include the operation of both facilities. The idea is to make this a collective destination attraction.
9. If upon issuing an RFP, no proponent is interested in Far Enough Farm, then City should consider closing it (or keeping it closed).

Riverdale Farm



The farm is spread over 7.5 acres in the community of Cabbagetown. Designed as a representation of a rural farm in Ontario, the facility is home to Dusty the donkey, two Clydesdale horses named Rooster and Dolly, the two Nubian goats Porsche and Rose and their most recent offspring, and a collection of cows, sheep, chickens, ducks, turkeys and geese²³. Access to the farm and its facilities is free for patrons.

The review identified the facility is focused on history and heritage of farming and agriculture in Toronto which does not entirely seem to fall within the mandate of the Department of Parks, Forestry and Recreation. Rather, the facility appears more suited under a division dealing with culture.

²³ Campbell, Marilyn. *A Guide to visiting Toronto's Riverdale Farm*. <http://toronto.about.com/od/eventsattractions/p/riverdalefarm.htm>. Viewed: January 2012

Our review also examined a conservancy model for Riverdale. Given the underlying structures and budgetary constraints – noted earlier in this section – a conservancy is not appropriate for the management and operation of Riverdale Farm.

A difference between Riverdale Farm and the other farms examined in this study is the existence and relationship between the City and Friends of Riverdale (which, prior to the completion of this report, leased space and operated a gift shop at the facility). Documents reviewed and interviews revealed that there seems to be a disconnect between the City's vision and that of the Friends of Riverdale. This creates challenges and a lack of clarity for patrons as to "who is who" and identifying who is specifically responsible for the farm and in what capacity.

The facility offers specialized programming linked to cultural historic activities such as weaving and pottery. Class sizes range from 3 to 7. It also runs children's agriculture programs.

The variety of buildings on site present a series of possibilities for future service delivery options for Riverdale Farms. However, this would require a new business plan and departure from current frameworks and partnerships.

Parallel to this SES, City staff are preparing a number of recommendations which will be presented to Council in Spring 2012 related to proposed directions for Riverdale Farm. The following are the DPRA consulting team's recommendations for Riverdale (irrespective of City staff assessments currently in progress).

10. As with High Park, the City could introduce a donation box and suggest a donation of \$1 to \$2 from patrons. ***Note that if the motion to implement a \$2 fee is approved, it will impact the ability to move forward with this recommendation***
11. An examination of the pros and cons of various governance models for volunteer / community based operation of the farm could be carried out in 2012. This could include seeking and obtaining charitable status, grant application, and other fund raising options that fall outside the mandate of the City of Toronto.
12. Do not renew the lease for 2012 with the Friends of Riverdale as it currently stands, and re-position a volunteer role in the planning and delivery of services for the future based on:
 - a revised governance model;
 - a more comprehensive volunteer participation structure with defined roles and responsibilities related to strategic positioning of the Farm;
 - funding plan based on revenue sources associated with fund-raising / donations, activity fee, etc.; and
 - The result would be reduced staffing chores with new funding streams to offset programming costs.

If this option is implemented, the community based organization would need to comply with relevant City policies (user fees, permit of facilities, etc.)

Re-structuring should include participation of other agencies with mandates that are related to historical interpretation (e.g. TRCA, Black Creek Pioneer Village, City museums, etc.) and opportunities for coordinated marketing and joint programming explored.

13. Pull City recreation programming out of Riverdale. Under this option, the City would no longer be involved in the provision of recreation programs at the site. The City can provide support, but not directly deliver programs - this would be done by volunteers/ community based organizations.
14. Another option is to not renew lease for Friends of Riverdale and instead, develop a comprehensive business plan geared towards revenue generation to attempt to cover operating costs. This could include the production of food for sale (eggs, milk, cheese, vegetables, etc.). The City could invest in the kitchen facility so it can operate as a small restaurant with “organic homemade products” for patrons. This option would also require refocusing the farm on crops and smaller animals (i.e. no larger animals that do not necessarily fit within the new model). ***Note - recognizing the transformation will not likely be completed until 2014***
15. That a conservancy model not be established or considered for Riverdale Farm, given the high risks, specialized training and understanding of animal husbandry, and likely instability (both governance and funding sources). There is a role for volunteers and sponsorship for High Park, but it does not require a governing entity. Successful conservancies (such as Central Park in New York) require certain population demographics such as significantly higher than average household incomes, and a membership with a proven track record for raising significant funds. Hence, such an option is not appropriate for Riverdale Farm.

4.4 PARKS MAINTENANCE

PF&R owns or controls the largest amount of land within the city limits. Approximately 8,000 hectares (12.7%) of the City's total area is comprised of natural and maintained parkland, which includes over 1,600 named parks, 225 km of trails, and 3 million publicly owned trees.^{24, 25, 26} The other 58% is managed park land.

The natural area system (42% of the total municipal parkland) made up of watercourses, forest, meadow, Environmentally Sensitive Areas, wetlands, succession habitat, Areas of Natural and Scientific Interest, and beach/bluff areas is operated by PF&R through a management agreement with the Toronto and Region Conservation Authority – the owner of these parklands.

The parks within the City are organized into the following two primary categories:

- Regional/City-wide Parkland:
 - District
 - City-wide
 - Destination
 - Greenway
- Local Parkland:
 - Parkette
 - Neighbourhood
 - Community

The standards for parks maintenance developed by PF&R include:

- General Maintenance (i.e. litter and debris pick up, washroom cleaning, minor repairs of parks and park assets, and annual inspections),²⁷
- Turf Operations (i.e. integrated plant health care),
- Horticulture Operations (i.e. planting, weeding and cultivation of horticultural displays),
- Winter Maintenance and Operations (i.e. snow clearing, sanding and salting on park roadways, artificial ice rinks),
- Technical services (i.e. carpentry, plumbing, electrical, fountains, irrigation, compressors, pumps), and
- Ferry Services.

These standards are achieved by implementing Parks Inspection Program, Work Management System, and Parks Branch staff training and resource tools. Pocket-size *Parks Branch Operations Handbook*, available for all staff, provides checklists for the best strategies and practices towards the maintenance of the City's parkland.²⁸ This resource tool compliments the Parks, Forestry, Technical & Facility Management Service Information Guide.

²⁴ City of Toronto and Urban Strategies Inc. Toronto Parks Renaissance Strategy. Draft Report, April 2007.

²⁵ City of Toronto Official Website: http://www.toronto.ca/toronto_facts/geography.htm (Accessed January 2012).

²⁶ Ontario Municipal Benchmarking Initiative. 2010 Results OMBI Data Warehouse, Data Tables, Parks. September 2011.

²⁷ Garbage and recycling pickup in parks is no longer a responsibility of the Parks Branch, since it has recently been transferred to Solid Waste Management.

²⁸ City of Toronto. Parks, Forestry & Recreation. Parks Branch Operations Handbook.

The purpose of the Parks Branch is to provide clean, safe and well-maintained green space and park amenities for passive and active permit use.²⁹ The Branch's vision is to ensure that "Toronto will be known by the world as the 'City within a Park' – a rich fabric of parks, open spaces, rivers and streams that connect our neighbourhoods and join us with our clean, vibrant lakefront."³⁰

To fulfil this vision the Branch employs 672 full-time staff, 991 seasonal/temporary staff, and 96 recreational workers.³¹ Its operations are organized into five districts covering the City (Etobicoke York, North York, Scarborough, Toronto & East York, and Waterfront) and supported by two units (Standards and Innovation, Horticulture and Greenhouse Operations, and Management Services). Table 10 provides a summary of the PF&R and Parks Branch 2011 Approved Budget.³²

Table 10: PF&R and Parks Branch – 2011 Approved Budget (in \$000s)

	PF&R DIVISION	PARKS BRANCH
Total Gross Expenditures	375,959.9	125,763.1
Total Revenue	100,962.3	15,198.1
Total Net Expenditures	274,997.6	110,564.9

It is important to note that PF&R currently does not have the IT systems and capacity to map its assets successfully or track maintenance activities by staff, by task or by location. The lack of availability of this information inhibited the consulting team's ability to conduct a more robust analysis. PF&R staff are very cognizant of the IT limitations for the Division and have developed a robust IT strategy in response to this challenge. The IT strategy has the approved capital funding for 2012 but is currently "on hold". The IT system will allow PF&R to determine further efficiencies moving forward. Such an "on hold" status should be removed and the IT strategy implemented.

4.4.1 JURISDICTIONAL REVIEW

It is imperative to examine other jurisdictions with the purpose of researching and identifying best practices in parks management, their potential efficacy for PF&R, as well as innovative and cost-effective approaches that have been implemented in various municipalities of similar size to Toronto in Canada and the United States. The outcome of this review will assist in the development of the study recommendations.

The output of jurisdictional comparison was limited due to the following factors:

- Composition of municipal parkland (maintained vs. natural) affects the level and costs of applicable services because maintenance of parks is more expensive (per square unit) than of natural areas;

²⁹ City of Toronto. Parks, Forestry & Recreation. Program Map and Service Profiles. November 15, 2011.

³⁰ *Ibid.* 14, p. 13.

³¹ City of Toronto. Parks, Forestry & Recreation. Parks Branch Overview. August 2011.

³² City of Toronto. Parks, Forestry & Recreation. 2012 Operating Budget.

- Operating costs related to high maintenance areas such as specialty fields, cultural and community gardens, dog-off-leash areas depend on demand (affected by population density and demographics) and vary across municipalities;
- There are differences in municipalities in the number of amenities available (i.e. washrooms, playgrounds, sport fields, etc.) and the standards to which they are maintained (i.e. class and type of the sport field);
- Operating costs and FTEs are not broken down to level of the unit responsible for parks maintenance; and
- Differences in frequencies and intensity of weather conditions (i.e. snowstorms or heavy rains) have an impact on operating costs.

In addition, the following factors also presented challenges to jurisdictional comparison of American municipalities:

- Under state constitutions, cities cannot run a deficit; therefore their adopted budgets must be balanced;
- Cities are constrained by the types and amount of taxes they can levy; and
- Ballot measures place strict limits on the power of local government to raise taxes.

Parks maintenance activities and alternative revenue strategies were reviewed among the following North American jurisdictions:

- | | |
|------------------|---------------------|
| ❖ Windsor | ❖ Kincardine |
| ❖ Winnipeg | ❖ High River |
| ❖ Halifax | ❖ Vancouver |
| ❖ London | ❖ Squamish |
| ❖ Sudbury | ❖ Whitby |
| ❖ Barrie | ❖ Seattle, WA |
| ❖ Thunder Bay | ❖ New York City, NY |
| ❖ Ottawa | ❖ Chicago, IL |
| ❖ Hamilton | ❖ Dallas, TX |
| ❖ St. Catharines | ❖ Indianapolis, IN |
| ❖ Calgary | ❖ Philadelphia, PA |
| ❖ Peterborough | ❖ Portland, OR |
| ❖ Collingwood | ❖ Baltimore, MD |

In many of the reviewed jurisdictions, service delivery standards depend on the type of service area (i.e. level of development, visitation rates, requirements for aesthetic appearance, etc.) and are organized in hierarchical manner (from highest priority with the most regular maintenance and shortest response time to the lowest priority with longest period of time between regularly scheduled maintenance operations). Some examples of service levels are provided below:

- Drainage Inspection – completed in late fall during the rainy season.
- Mowing – frequency depends on type of area and season (i.e. firebreak areas during the summertime), how much rain/growth, and soil type (flood plain till versus high ground).
- Turf Management – intensity of management practices (aeration, mowing, trimming, edging, irrigating, fertilizing, thatch removal, top-dressing, over-seeding, integrated pest management, and soil type) largely depends on type and quality of turf as well as on where it is used (i.e. golf courses, athletic fields, lawns and meadows).
- Trails maintenance typically includes pruning, weed control, brushing, litter removal, grass cutting, drainage system care, leaf racking, signage installation and monitoring, removing hazardous branches, and wildlife control. The maintenance level assigned to a trail depends on a number of factors, including classification of the trail, management objectives, volume and type of users, environmental impacts, trail deterioration, purpose of the trail, existing trail standards, trail investment, and availability of funds. The following is an example of three levels of maintenance services:

- Level 1 Services – the highest level of maintenance is applicable to high traffic areas. It requires shortest response time. At this level, the maintenance is aimed primarily at protection from serious deterioration and user safety (i.e. removing storm damage, removing hazardous branches and maintaining warning signs);
- Level 2 Services – the moderate level of maintenance services is applicable to locations with moderated level of development and visitation rates. It also requires moderate period of time between regularly scheduled maintenance operations. At this level, the maintenance is aimed primarily at preservation activities (e.g. patching asphalt and stone dust at the trail, and repairing directional signs; and
- Level 3 Services – a low or minimum level of maintenance is appropriate to undeveloped lands and sites that have low visitor rates. It requires longest period of time between regularly scheduled maintenance operations. At this level, maintenance is aimed primarily at remedial activities (e.g. repairing interpretive signs).

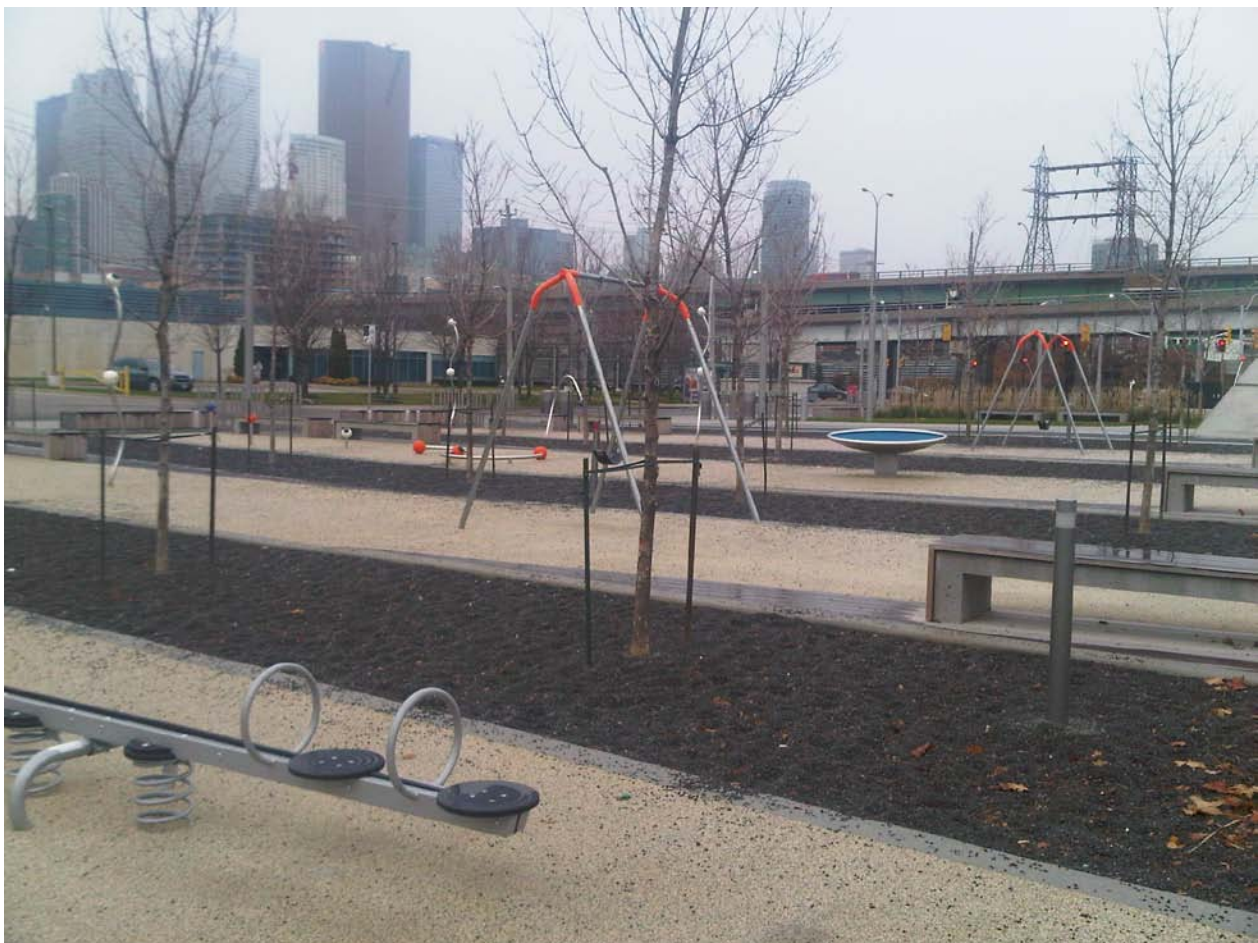
4.4.2 APPROACHES TO SERVICE DELIVERY

Many municipalities struggle trying to meet the ever expanding expectations of citizens and members of council for services, while having reduced resources to meet those expectations. In an attempt to realize savings without impacting on service quality, some municipalities contract out park operations (in all or in part). However, in many municipalities, existing collective agreements with unionized labour provide little or no opportunity to save costs through

alternative service delivery mechanisms, leaving them with unpopular options of reducing service standards or increasing taxes.

Usually, the advantages of contracting out are cost savings, reduced liability, reduced requirements for equipment, and decreased time and overheads to recruit and support the work force. Also, public benefits will be extended because internal resources have an opportunity to focus on performing more specialized tasks. Moreover, outsourcing can increase in-house crew productivity and motivation due to the competition associated with continual comparisons to the costs of private labour for similar work. Municipalities can bring contracted out work back in when staff demonstrate that they can do it better and for less or comparable costs.

At the same time, a typical issue with outsourcing is a requirement for careful monitoring and contract administration. In addition, tasks and performance expectations should be clearly defined. In the case of reduced quality of contracted out services, the public will still hold the local government responsible for poor service.



Modern and atypical park in terms of design and infrastructure – a candidate type location for alternative service delivery – above and on the following page.



The list of selected factors that affect municipal decision to outsource parks maintenance activities is provided below.³³

Internal Questions

- Are there activities that present scheduling conflicts with other commitments?
- Are there activities which are difficult to schedule due to crew size?
- Are there activities that require intense inspection or require temporary reassignments?
- Are there activities which generate unusually high management problems such as absenteeism?
- Are there activities which your staff do not like to carry out?
- Are there activities that generate a high level of public dissatisfaction because of work quality or lack of timely response?
- Are there activities that require a lower skill level and little capital investment?
- What activities does the private sector provide at a lower cost?

³³ City of Peterborough. Strategic Business Analysis for Public Works. January 2007. McCormick Rankin Corporation and BMA Management Consulting Inc.

External Questions

- Is there an available private sector service provider who can do the work under contract?
- Does the private sector have the resources available when you need them?
- Is the work performed measurable by accomplishment unit e.g. lane kilometre, square metre, etc. for verification of payment?

Some of the above mentioned questions might not have straightforward answers; therefore, prior to outsourcing some of the parks maintenance activities, some municipalities run pilot projects designed to compare performance (quality and cost) of in-house staff and independent contractors.

In 2003, the City of Toronto conducted a pilot project designed to determine whether the private sector contractors can deliver turf and parkette maintenance more efficiently and at a lower cost than city staff.³⁴ The final costs and information on service quality were unavailable to the consulting team for this assignment, hence it is difficult to compare performance and efficiencies of these two service providers. In addition, the monitoring of the quality of contractor's work was conducted inconsistently. In spite of these factors, it was concluded by Parks Supervisor that the overall quality of work performed by contractors was lower than that provided by City staff. Particularly, there were concerns regarding:

- Public safety ("the turf contractor had to be told to slow down while cutting in parks where the public is present.");
- Instead of hand pulling weeds spraying was used which is not allowed under the City's directions;
- Ignoring planting scheme and directions; and
- Lack of proper reporting.

PF&R staff who participated in the interviews conducted as a part of this study were in agreement with Parks Supervisor's conclusions, indicating that the quality of work performed by contractors is lower than that provided by City staff. They also noted the efficiency (from a workload perspective) of reduced time required to manage Human Resources and Labour Relations. It was also indicated that the divisional staff have good relations with residents and users – something that contractors do not have. A noted benefit of contracting out some maintenance activities from the pilot was that it creates a competitive atmosphere, which in turn could enhance quality and efficiency of services.

In 2011, during the public consultations on the Toronto's Core Service Review, 76% of respondents who provided feedback on parks indicated the City should work with residents to plan, redevelop and create parks. Respondents' written comments suggested that the City had a role to play in maintaining park quality and accessibility. A comparable number of respondents supported contracting out parks maintenance or management by volunteer groups.³⁵

³⁴ City of Toronto. Chief Administrator's Office. Briefing Note. Alternative Service Delivery, Turf and Parkette Maintenance.

³⁵ *Ibid.* 4

City of Calgary

In 2011, the city decided to launch a pilot project for up to two years to determine how performance of private sector contractors in delivering maintenance in selected parks districts, irrigation, and South Cemeteries services compared with unionized municipal staff. This pilot project did not affect existing or returning city workers, but effectively cancelled 100 new seasonal hires (typically students).³⁶

City of Peterborough

Prior to 2008, the city contracted out parks grass cutting, trimming, and garbage pickup for 68% of municipal parks. For 2008 and 2009 the city decided not to renew the contract because the quality of contractors' work was inferior to services delivered by in-house staff.³⁷

Halifax Regional Municipality

As an example of a mixed approach to service delivery, Halifax Regional Municipality (HRM) contracts out grass mowing and landscape maintenance (nine four-year contracts of the total value \$760,556 for six months period every year).³⁸ The contractors are responsible for work, which comprises the supply of all labour; materials, equipment, fuel, transportation, supplies, supervision, and communication, reporting and customer service requirements necessary to perform grass cutting and landscape maintenance services in HRM. The contractors are to perform to following performance standards outlined in the contract:

- Athletic Fields to a height of between 2 ½ to 4 inches (5 10 cm),
- Parks and Green Spaces to a height of between 2 to 3 ½ inches (4 9 cm),
- Shrub Beds to (A) Service Level (i.e. 6 cuts) and (B) Service Level (i.e. 3 cuts), and
- Weekly inspection and log reports.

These performance standards noted above are similar to transportation standards for the right of way maintenance. These are not typical park maintenance standards (i.e. these do not include turf maintenance).

The service provision and performance of the contractors is routinely monitored by Municipal Operations' Contract Supervisors. The provision of service by the contractor is measured according to established service standards and expected levels of performance. Also, contractors are evaluated based on the number of calls received through the Customer Response Model regarding the services they are performing. According to the HRM, "the main advantages of performance based contracts are the accountability of the contractor and predictability for budgeted resources. Since the contracts are a fixed rate for the summer, there are not the fluctuations associated with variable weather patterns. In addition, contractors have ownership of their inventories, which eliminates debates on the question of any damage which may result."

³⁶ Calgary Herald. "City union balks at contracting out some parks work." By Jason Markusoff. April 15, 2011.

³⁷ Town of Collingwood. Staff Report to Mayor and Members of Council. Contracting Out – Parks Grass Cutting. September 14, 2009.

³⁸ Halifax Regional Municipality. Halifax Regional Council. Item No.12.1.6. Grass Cutting and Landscape Maintenance – Season End. November 13, 2007.

City of Chicago

As an example of another municipality similar to Toronto, the Chicago Park District contracts out management of nine harbors; over 100 concessions; seven golf courses; two driving ranges; three underground parking garages; and Soldier Field, a multi-use recreation facility.³⁹ Such contracting out does not include turf maintenance.

City of St. Catharines

The city is running a two-year pilot project to contract out grass cutting in municipal passive parks, which do not include sports fields or parks with scheduled activities maintained by the city staff. In order to compare cost and quality of two service providers, the city was divided in half, with northern section serviced by city crews and the southern section tendered to the private firm, whose owner deploys six workers in one or two crews, depending on the day of the week. The city has 12 workers, including one supervisor, six students and five seasonal labourers. According to the city official, the costs of work have been reduced substantially. Also, the city is so pleased with the quality of private crew's work that after contract expiration they expect that contracting will become permanent and very likely extended for all of municipal passive parks.⁴⁰

Town of Collingwood

As of 2008, the town contracted out grass cutting in some municipal parks. The city representative concluded that it is likely cheaper to contract out the grass cutting services than to maintain the vehicles, equipment and staff and supervise the process. At the same time, letting Town crews perform this job provides a work force that is flexible and available to do other parks maintenance work such as setting up and taking down of tables, chairs, tents and fencing for special events, trails maintenance, boardwalk maintenance, painting, equipment, park structure and building repairs and maintenance. It was also mentioned in the staff report to mayor and members of council that if the seasonal labour is not employed by the Town these other duties will also have to be contracted out at a higher cost than doing it in house. As well, there will be extra expenses to cover on-demand repairs, deliveries and other tasks.⁴¹

Town of High River

In 2011, instead of hiring its own part-time staff, the Town decided to contract out its grass cutting and fertilizing services. The Town received seven bids ranging from \$184,208 to \$428,322. In comparison, administration estimated that it cost the Town approximately \$290,000 to do this work on their own.⁴²

Town of Kincardine

The town is satisfied with contacting out some of its grass cutting services.⁴³

³⁹ New Yorkers for Parks. Comparative Park Management Models. Publication date unknown.

⁴⁰ St. Catharines Standard. "City hall goes private for grass cutting services". By Marlene Bergsma. 2011

⁴¹ *Ibid.* 40

⁴² High River Times. Town contracts out summer parks maintenance." By Alyssa Burnham. 2011

⁴³ *Ibid.* 40

Town of Whitby

In order to save costs, the Town of Whitby's Department of Culture, Parks, Recreation and Open Space decided to reduce the requirement for on-going maintenance through a variety of means, including:

- Reducing the extent of manicured areas, and establishing naturalized buffers through reduced mowing limits adjacent to watercourses;
- Developing where appropriate trails that respond to user desire lines, and eliminate invasive trail routes;
- Developing facilities that are robust and vandal-proof, and
- Coordinating park design with stormwater management plans and developing park designs that support stormwater management objectives.

In addition, it was anticipated that frequent sharing of information, methods, and opportunities for collaboration on service delivery within sections and divisions of the department, and between other departments of the town will contribute to operational cost savings and revenue enhancement.⁴⁴

4.4.3 ALTERNATIVE FUNDING APPROACHES

The scope of work for this assignment required a review of the literature and other jurisdictions to identify alternative funding approaches. The following sub-section presents these options – some of which Toronto is currently doing, while others could be considered by the City. The sub-section presents a record of the approaches being used across North America.

Traditional local funding sources have been property and sales taxes, user fees and enterprise funds. Typically, major cities raise funds for parks through taxes (including majority of Canadian municipalities), although the amount varies widely. For example, Minneapolis Parks and Recreation District receives 91% of its revenue from taxes. On the other end of spectrum, the Parks Department in Wheeling, West Virginia, receives less than 1 percent of its budget from taxes, with balance accruing from fees.⁴⁵ Among Torontonians who participated in the public consultation regarding the Core Service Review, 60% or more selected “increase property taxes” for parks maintenance; approximately 50% noted “increase property taxes” for growing plants and gardens.⁴⁶

In addition to traditional funding sources, there are alternative revenue streams that can support urban parks maintenance, development, and management.^{47,48} Selected strategies applied or recommended in North American municipalities are listed below:

- Local real estate excise tax (REET).
- Setting up programs to encourage gifts of needed equipment and facilities, memorial gifts, park foundation donations, and grants. (Parks Foundation Calgary has played a key

⁴⁴ Town of Whitby. Culture, Parks, Recreation and Open Space. Strategic Master Plan 2006. Prepared by dmA Planning & Management Services, ENVision The Hough Group, and Market Probe Canada.

⁴⁵ Cedar River Group. Sustaining Seattle Parks: A Study of Alternative Strategies to Support Operations and Maintenance of a Great Urban Parks System. Prepared for Seattle Parks Foundation by Tom Byers and Ken Bounds. January 2011.

⁴⁶ *Ibid.* 4

⁴⁷ New Yorkers for Parks. Supporting Our Parks. A Guide to Alternative Revenue Strategies. June 2010.

⁴⁸ *Ibid.* 24.

role in bringing to life many parks and natural areas throughout the City. Another example is work related to preservation and enhancement of Metro Vancouver's regional parks by Pacific Parklands Foundation and the Lower Mainland Green Team).

- Partnerships with community businesses, organizations and residents (i.e. adopt-a- park and park appreciation day programs to recruit volunteers to help with park maintenance). Drawbacks to this approach include requirements of staff time needed for management and organizations of volunteers, as well as potential conflicts with collective bargaining agreements. (In the City of Hamilton, there are 29 year round Adopt-a-Park Groups involved in maintenance of various park in the City. Also, the Extreme Park Makeover is an initiative of Hamilton's Operations & Maintenance Division, Public Works Department that partners community groups and private sponsors with City staff to rejuvenate neighbourhood parks. In 2009, this month-long program resulted in improved shrub bed areas, tree planting, application of mulch and turfgrass seed, removal of graffiti, installation of benches, and refurbishing signs and pathways. Another example of Adopt-a-Park program is Winnipeg's Kildonan Meadows Park, where volunteers in the community add valuable services to regular maintenance supplied by the City). It is worth noting that Toronto was one of the pioneers of this approach, but notes the needs of significant staff time/effort to manage such relationships.
- Creating park endowment by selling development rights to public land on the edges of the park. (This approach requires strong public support. In 2005, in order to generate revenue for an endowment fund for improving Assiniboine Park, Mayor of Winnipeg proposed an idea of selling off or leasing a part of underused parking lot space. A small proportion of residents supported this approach under the condition that it included leasing the land rather than selling it to retain public control while generating some revenue for the park. However, for majority of those who opposed this undertaking it was an issue of directing property taxes from new development solely to park endowment fund instead of allocating them to the City's general revenue, which addresses citywide needs. This group argued that in addition to the developers, the only winners would be upscale condo dwellers, who also use public services that are in part paid by property taxes collected from all residents). To be clear this would be a new tax or levy.
- Recruitment of private sector sponsors – naming rights, advertising (i.e. activity guides, websites, communications pieces, event promotion, banners, signs, posters, etc. acknowledging sponsor's contribution to park maintenance or development activities).
- Private-public partnerships (tying parks funding to developer fees, particularly the development of luxury condominiums). Property values are directly impacted by parks, and property owners realize easily measurable gains, including higher lease and rental rates, longer tenure of lessees, and an increase in property values that is realized at the time of the sale. For example, Central Park in New York City is managed by the Central Park Conservancy which is the primary planning body, caretaker, and administrator of the park, with more than 300 employees. Baseline operational funding and some capital investment are received from the City of New York. Also, the City's Parks Department retains control of the policies that govern park operations. As on 2009, the Central Park

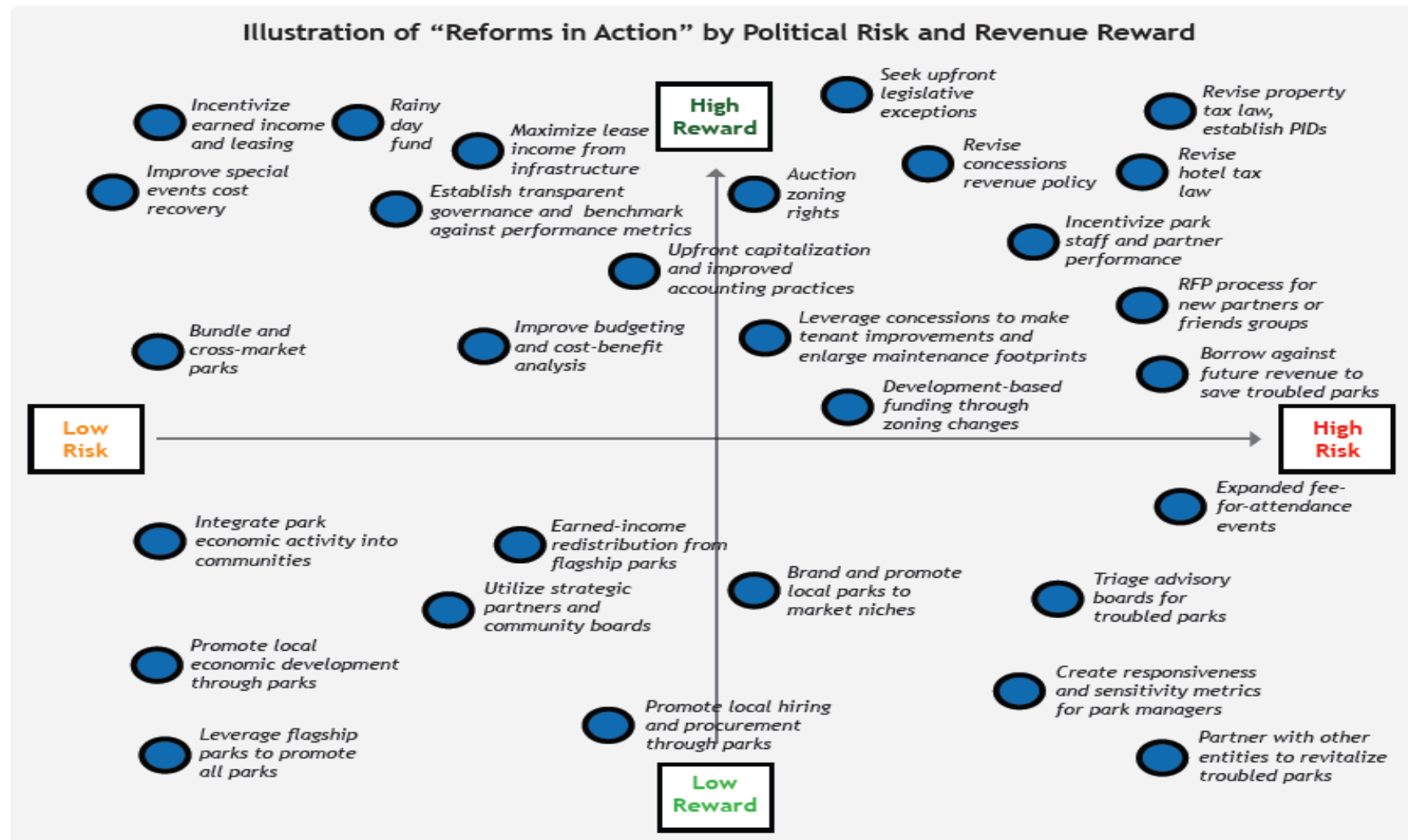
added \$17.7 billion in incremental value to surrounding properties, and the average value of these properties grew 73% faster than control group of properties over the past decade. (The District of Squamish Park & Recreation Master Plan for 2002 contains detailed discussion of what public-private partnerships are, how they work, and the issues to be considered by municipality in pursuing such a partnership).⁴⁹ Again, to be clear this would be a new tax or levy.

- Bundling parks concessions (such as food service) so that a successful bidder for a flagship park is also required to provide services in specific neighbourhood parks (e.g. Chicago).
- Generating revenue for park maintenance from parking garage built underneath the park (Post Office Square Park in Boston) and charging for parking within major parks (New York City and Chicago). But there are horticulture and maintenance issues with this option and hence, by experience, Toronto has decided not to continue to do this (e.g. water leaking underground, greater incidence of tree death, etc.)
- Special Event Fees - Using proceeds from paid concerts and other events in the park to fund ongoing maintenance (New York City's Central Park Conservancy). This could also be a renewal fee as part of park permits as well as tiered charging for permits.
- Leveraging parks funding through community benefits agreements, which are legally binding contracts signed by developers and community coalitions that spell out a set of community benefits that the developer has committed to provide as part of a development project. Benefits are designed by local residents to meet community needs, and they often include funding for parks maintenance. In exchange, community groups agree to support the developer with the project goes to the city council for approval and subsidies. Note, Toronto is currently doing this.
- Taking a package of capital improvements to parks system to the voters every three years, providing a predictable cycle and a mechanism for voters to hold municipality accountable to deliver on its promises (Vancouver, BC).

The following matrix provides a set of options for reducing the volatility and increasing the growth of revenue flows for parks maintenance.

⁴⁹ District of Squamish. Park & Recreation Master Plan. 2000. Prepared by Urban Systems Ltd. and Yates, Thorn & Associates.

Figure 2: Options Matrix for reducing volatility and increasing revenue



Source: New Yorkers for Parks. *Supporting Our Parks: A Guide to Alternative Revenue Strategies*. June 2010

4.4.4 ALTERNATIVE SAVING APPROACHES

As noted in Section 4.4.3, the following is a list of alternative saving approaches being used across North America for Parks Maintenance. Some are currently being used by the City while other could be considered by the City moving forward.

Service efficiency gains can be increased if alternative funding approaches to parks maintenance and management are applied in conjunction with alternative strategies for savings. Some of these strategies include:

- Outsourcing certain activities through contracts with churches or other community based organizations (Indianapolis, IN).
- Savings could be achieved through efficiencies and innovations (i.e. energy and water conservation, reduction in hours of operations and amounts of fertilizer applied, etc.). Marginal benefits and conflicts with existing union contracts may become drawbacks of these strategies.
- Units responsible for parks maintenance work collaboratively with developers and the planning division to identify upcoming construction sites, where demolition and removal of old landscaping will take place. Following approval of the property owner, parks crews remove mature trees, plants, landscape materials, and rock that can be used for municipal park and landscape projects.
- Addition of Turface (a product that absorbs water in order to make it drain better in bad weather) to the infield dirt in sports fields cuts down on labor, reduce game cancellations, and creates a safer surface. Note, Toronto is currently doing this.
- Municipality negotiates agreements with youth sports groups and other user groups to help develop and maintain facilities that these groups use regularly. Toronto has considered this in the past but noted some reservations with such an approach related to consistency, and Quality Assurance and Quality Control (QA/QC).
- The City of Calgary Parks has taken steps to address the shift from irrigation to water management program. Installation of water meters in almost all irrigated parks along with computerized, centrally controlled water management system in 46 per cent (as in 2007) of these parks resulted in improved plant health and reduced water consumption in irrigated sites by an average of 45 per cent. In addition to this program, department has implemented Parks Water Management Strategic Plan, which ensures that the right amount of water gets to the grass, trees and flowers in the most cost effective way while ensuring efficient water delivery. This can be achieved through changes in maintenance practices, modifications to the way new parks are built, redefining the size and type of parks to be irrigated, and accessing and developing new sources of water.⁵⁰

4.4.5 KEY OBSERVATIONS, OPPORTUNITIES AND RECOMMENDATIONS

The following section contains an overview of key issues, observations, challenges and potential solutions arising from interviews and focus groups with divisional staff responsible for the provision of parks maintenance services. Some of these key observations are presented below.

⁵⁰ City of Calgary. Parks Water Management Strategic Plan. 2007

1. There is an issue of applying, monitoring and evaluating performance and efficiency of achieving PF&R standards. PF&R must continue with its plans to acquire and implement the necessary IT systems and programs to facilitate this task. This will improve efficiency, effectiveness, planning, transparency and accountability. The capital budget for the IT system has been approved and the Division has the strategy in place. There is no additional cost to implement the system. The “on-hold” status for the project should be lifted and implemented. This strategy and tool represents the biggest opportunity to assist PF&R increase efficiency and measure outputs/outcomes.
2. Improving service efficiency (“to do more with the same”) could be achieved by changing service standards; for example, switching from natural to artificial turf (where appropriate for sport fields). PF&R staff will need to collect the necessary information from recommendation #1 above then assess the feasibility of the most appropriate candidate sites. Service efficiencies could also be achieved by applying water conservation strategies (as noted in Calgary), as well as reduction in amounts of fertilizer applied, and energy conservation. It was noted that PF&R staff did complete a comparative analysis of the lifecycle costs between artificial and natural turf whereby the costs were similar (i.e. no significant cost competitive advantage). However, where appropriate (e.g. some soccer fields) artificial turf can accommodate people faster (i.e. allow users to get on and off the field faster), can extend the season and serve more users. Hence it is worthwhile to further examine the opportunities related to artificial turf.
3. Examine the feasibility of merging the Design group in the Parks unit to foster collaboration and enhance communication as a means of establishing greater efficiencies
4. As noted later in the community recreation programming section of the report, there are opportunities to strengthen coordination of the planning functions within PF&R and revisit the organizational placement of additional planning resources to further establish efficiencies. Parks and Recreation operating Branches do not have planning resources. Planning function in PSP is understaffed so is not able to serve the three operating branches.
5. Hiring process for parks maintenance does not respond promptly to the needs of the Parks Branch. It is recognized some of the hiring processes are a reflection of the collective agreement, however there are opportunities for corporate HR to enhance the process supported by IT systems that can generate staffing needs/priorities/gaps/ performance.
6. The City’s existing purchasing policies and the centralized procurement departments which strictly manage risk have resulted in procurement delays and inefficiencies within the Parks Branch and across the Division.
7. Improved coordination of numerous opportunities for partnerships with private sector and community groups on the City and divisional levels will lead to service efficiency gains (for “new” initiatives – as to not contravene the collective agreement).

8. Involvement of community groups and businesses in selected parks maintenance (i.e. “Adopt-a-Park” or “People for Parks” programs) will require upfront definition of roles and responsibilities consistent with Parks priorities. Specifically for “new” initiatives – as to not contravene the collective agreement.
9. Specialized waterfront parks (i.e. not Toronto Islands) maintenance could be contracted out (as a part of the same contract or separately) due to its relatively compact geographic location, and highly specialized and labour intensive nature. For the interim, PF&R could flag this as a distinct budget item to more easily track and report on the costs to operate and maintain the specialized waterfront parks – this will assist in any contracting out process as well as identifying further internal efficiencies.
10. Maintenance of small downtown parkettes can also be contracted out due to high labour costs associated with required travel time. PF&R senior staff should identify a series of such parkettes that could be put out to tender for parks maintenance.
11. Cleaning of public washrooms (in parks) is a workload driver that could be contracted out. PF&R staff should examine the feasibility of issuing a Vendor of Record to a series of contractors for less cost than the current service delivery model. The extent to the potential cost savings could not be identified since the Division does not capture data by operational function for parks maintenance.
12. A conservancy model for park management in Toronto is not appropriate. It provides fewer benefits, and removes economies of scale of park maintenance which is one of the City’s competitive advantages. The size of the operation of park maintenance in Toronto gives PF&R the ability to be cost competitive with the private sector but work without a profit margin; resulting in the program being affordable (i.e. operating in a “business-like” manner). Further, as noted in the farms section, conservancies have higher risks and instability. Successful conservancies (e.g. Central Park) require certain population demographics such as significantly higher than average household incomes, and a membership with a proven track record for raising significant funds. Hence, such an option is not appropriate for any park management in Toronto.

4.5 RECREATION SERVICE PLANNING

Every year, the Parks, Forestry and Recreation Division delivers over 70,000 recreation programs and 5,200 drop-in programs at over 400 program locations throughout the city. In 2010, there were approximately 8 million visits to recreation programs and services and over 23,000 permits issued for recreational use in City facilities. Over 8,200 part time staff with an annualized payroll of over \$59M is involved in the delivery of these programs and services which generates approximately \$53.1M in revenue through various user fees.

There is limited standardized annual planning to determine the types of programs, balance of external permits and level of service offered at the City's community recreational facilities. Additionally, staffing and delivery approaches vary across facilities with service delivery decisions made through a combination of informal demand and demographic analysis, historical community preferences and interests, and a seasonal review of program statistics.

The component of the study examined two inter-related themes:

- Recreation service planning approaches and processes including approaches to ensure trends and demographic assessments are incorporated into planning activities.
- The potential approaches to alternative service delivery associated with municipal recreation programs and services.

4.5.1 TRENDS FROM OTHER JURISDICTIONS: ALTERNATIVE SERVICE DELIVERY ASSOCIATED WITH MUNICIPAL RECREATION PROGRAMS

There are a range of potential alternative service delivery models that could theoretically be applied to the delivery of municipal recreation programs and services including: direct delivery of recreation programs and services by the not-for-profit and volunteer based sector; purchase of service or fee for service agreements; partnerships/collaborations; and privatization. The following profiles approaches and trends occurring in other Ontario and Canadian municipalities associated with the delivery of municipal recreation programs.

- a) Municipalities are placing greater emphasis on defining their role in the planning and delivery of recreation programs and many are shifting from direct program delivery to place greater emphasis on roles associated with community development and facilitation within the recreation services delivery system.***

Many Canadian and Ontario municipalities are focusing attention on defining their role and responsibility in the planning and delivery of public recreation programs as well as delineating core municipal recreation programs. These activities typically involve three considerations: an assessment of the social objectives to be achieved in the delivery of municipal recreation programs; the specific target population group for municipal recreation program provision; and the appropriate type of municipal programming to be provided, most often defined in terms of skill level.

The majority of Canadian municipalities have experienced a shift in their traditional roles and responsibilities associated with the delivery of public recreation programs from that of a direct

provider of the majority of recreation programs in their municipality to a hybrid model of limited direct provider and facilitator of community based program provision. It should be noted that many Canadian municipalities have historically based their role in recreation program delivery on this model and have embraced the role of “community development and facilitation” as a foundation of their operational and service planning and provision approach. Municipal recreation departments’ roles and responsibilities in community development and facilitation may take many forms including use of municipal facilities and parks, volunteer training, leadership development, and the provision of organizational support and assistance. Each role and responsibility is associated with developing and supporting the capabilities and capacity of community based organizations to provide recreation programs to the public.

A key aspect of the evolution of the municipal role in the planning and delivery of recreation programs has been the establishment of a *recreation service planning process* and the preparation of comprehensive service planning documents (such as master plans, strategic plans, etc.), policy frameworks and guidelines that establish the foundation for municipalities to make decisions concerning what recreation services and programs will be provided and how they will be delivered, as well as the role and responsibility of the municipality in terms of supporting the service provision activities of non-municipal groups and associations.

Most municipalities in Ontario have a Recreation Master Plan in place that acts as a framework for decisions concerning the planning and delivery of municipal recreation services (programs, facilities, parks and open spaces, etc.) in general as well as specifies the municipal role in recreation program planning and delivery. These are also used as a conceptual framework/guideline to structure a consistent, coordinated and comprehensive response to day-to-day service planning and operational issues and opportunities, (including requests for additional or specific services) as they arise.

While the planning *processes* employed across Ontario municipalities vary significantly, there are common aspects and research/analysis activities that are used consistently. Similarly, the format and title of the *planning document* which summarizes the planning process, data collection, analysis and recommended actions varies across municipalities; “Master Plan”, “Strategic Master Plan”, “Management Plan”, “Service Plan”, etc. It should be noted however that these terms are often used generically and while typically a strategic plan would focus on issues along the lines of “why are we providing recreation services” expressed as vision, goals, directions and action plans many are, for all intents, a comprehensive master plan with wording to reflect strategic initiatives.

Experience has shown a transition or evolution of the recreation planning function among Ontario municipalities from a focus in the early 1980s on “Master Plans” to more recently a bias in favour of “Strategic Plans”. This is partly a result of the increased emphasis placed in Ontario municipalities on “strategic planning” and “visioning” for the corporation as a whole and an associated emphasis on municipal goals, objectives, values and visions (and to some degree community involvement in establishing these broad directions). It also reflects that for a number of municipalities that have established and incorporated a planning approach to the

basics of service planning and provision are in a position to subsequently focus on refining approaches based on specified strategic types of objectives or service delivery goals.

There is no discernible relationship between the population size of a municipality (or any other factors such as number of recreation facilities, acres of parks, number of municipal recreation employees) and the nature of its planning activities. Many small Ontario townships and towns have a master plan as do medium and larger sized municipalities.

It is also noteworthy that while many municipalities have planning processes in place and use them on a day to day basis – the recommended approaches and actions may not always be “approved” by municipal council either as a complete set or entirety, or in part. In this case, the documents act as an essential reference and operational tool and sections or provisions are brought forward to council as needed or required.

The “plans” typically assist in clarifying the municipal mandate, purpose, roles and responsibilities in providing public recreation services, are based on a comprehensive and thorough assessment of community trends, demand and requirements, which are ordered into priority through detailed analysis, and a set of recommended strategies or actions are developed as to the preferred range of services that are to be provided and how they will be provided. The planning *process* becomes a way of thinking or organizing the thought process when it comes to making decisions and evaluating issues and opportunities.

The majority of recently prepared Recreation Master Plans for larger Canadian cities have recommended that the municipality place greater emphasis in the future on a role associated with *community development* and facilitation of the community based provision of public recreation programs, as opposed to direct program provision by the municipality. This is true regardless of the extent of community development already occurring in these municipalities. For instance:

Municipality of the City of Fredericton: A Recreation Master Plan completed in 2008 recommended that the City adopt a new recreation service framework whereby over the long-term future (i.e. 10 years) the City would gradually divest its recreation program portfolio of all programs but those of a basic, introductory level, leaving the delivery of higher level programs to community organizations.

Town of Oakville: A Parks, Recreation, Culture and Library Master Plan completed for the Municipality in 2006 recommended that the Municipality continue to directly provide recreation programs, however, only where there were gaps in programs provided by other organizations or where accessibility is an issue (e.g., cost, language or cultural issues, transportation or access for the physically challenged, etc.). The Master Plan also recommended that in the future the Town should focus on directly providing specific programs related to skill development, and “self-motivated, spontaneous and unstructured physical activities”.

The shift in focus of the municipal role in the provision of public recreation programs has also been motivated in certain municipalities by unique local service planning and provision issues:

London, ON: The Municipality faced a series of challenges from the private sector tennis and golf program providers in terms of unfair competition. Since that time, the Municipality has been divesting itself of the direct provision of recreation and culture programs. The majority of recreation and culture programs in the City are now provided by the private sector and volunteer based community organizations. The Municipality continues to provide a number of recreation and programs; however they are, for the most part, introductory level programs or programs not currently provided by the private sector or community organizations and are intended to introduce residents to recreation and culture. Residents wishing to continue on in their chosen activity or develop their skill levels further are directed to private sector providers or community organizations.

Halifax, NS: In 1995 four separate municipalities were amalgamated into Halifax Regional Municipality. Each of the former municipalities had a distinct method of delivering recreation programs. Currently the Municipality directly provides the majority of recreation programs in the area of the former City of Halifax, but facilitates the provision of recreation programs in the areas comprised of the other three former municipalities. There are approximately 39 community organizations providing recreation programs in municipally owned facilities throughout the Regional Municipality. The Municipality enters into a formal documented agreement with each community organization, which identifies the roles and responsibilities of both parties, including a general outline of the types of programs to be provided, as well as the terms and conditions of the facility lease. Each community organization is required to provide financial statements and performances measures.

b) Community based, not-for-profit organizations and volunteer groups are most often the preferred alternative service provider for municipal/public recreation program delivery in Ontario and across Canada

The most frequent “alternative service” providers of “public” recreation programs and services are community based, not-for-profit organizations and volunteer groups. There are many examples of municipalities throughout Ontario and across Canada where community based organizations provide the majority of public recreation programs and services to residents. For instance Kitchener provides many of its recreational opportunities through neighbourhood associations where volunteers determine the types of program needs and provide staffing to deliver the service while the municipality provides facilities and fields and assists in the registration process. This has traditionally been referred to in the industry as the “community development” model of recreation program and service delivery and has only recently been referred to by the term “alternative service delivery”.

There are a number of municipalities⁵¹ where this approach has been a foundation of public recreation program delivery for decades:

⁵¹ Refer to Appendix C for a profile of community development experiences in selected Canadian municipalities.

Victoria, BC: The majority of indoor and outdoor recreation programs in Victoria have historically been provided by community organizations. A number of volunteer based community organizations lease indoor community centres and seniors centres owned by the Municipality and provide a wide range of recreational and cultural programs geared to the residents in their neighbourhoods. An agreement between the Municipality and the organizations provides an outline of the types of programs to be provided. Each community organization is required to use an electronic participant registration and data system stipulated by the Municipality. The organizations are required to provide annual performance measures to the Municipality, and the Municipality is also able to monitor registration at any time through the data software the community organizations use. The Municipality provides annual operating and capital grants to the community organizations. The amount of the grants is minimal, as the organizations are expected to seek other methods of funding.

Niagara Falls, ON: The majority of indoor and outdoor recreation programs in Niagara Falls have historically been provided by community organizations. The volunteer based community organizations either rent or lease space in municipally owned indoor and outdoor recreation facilities, such as community centres and sports fields, ball diamonds, etc. at which they provide their programs. Organizations such as the YMCA and Boys and Girls Club also own and operate their own facilities. Community organizations that receive capital or operating grants from the Municipality are required to submit an annual report describing their performance measures, results and financial data. The Municipality's Recreation and Culture Department's only role in direct provision of programs occurs at the City's seniors centre. The Department monitors recreation and culture requirements in the community and if a need is identified for a new or additional program, the Department works with the community organizations to facilitate the provision of the new and/or additional program by the organizations.

Calgary, AB: The majority of indoor recreation programs in Calgary have historically been provided by community organizations. These community organizations include registered charities which own and operate facilities in the City, as well as a number of volunteer based community organizations which lease indoor community centres owned by the Municipality and provide a wide range of recreational and cultural programs geared to the residents in their neighbourhoods. Community groups operating in municipal facilities sign a License of Occupation (LOC) in order to operate in municipal facilities. The LOC defines the term of the lease, allowed uses, responsibility for repairs and maintenance, insurance requirements, financial requirements, and conditions for termination of the LOC. Each community organization is required to provide financial statements, program evaluations, needs and preference identification, and a business plan on an annual basis. The City may provide programming where gaps are identified or where there are no service providers in the area to meet the need.

More recently, and often in response to economic constraints and limited municipal budgets, municipalities that had traditionally been the primary direct provider of recreation programs have also explored and developed fee-for-service agreements with not-for-profit organizations such as YMCA's and Boys and Girls Clubs to provide on behalf of the municipality a specific type

of recreation program that had been a traditional municipal recreation program service (such as day camps in Niagara Falls, St. Thomas, Brockville, Niagara-on-the-Lake and Fort Erie or summer aquatics in Fort Erie and Niagara Falls).

c) *Private sector provision of public recreation programs*

“Alternative service delivery” approaches involving the private sector as the service provider of public recreation programs are less common in Ontario or across Canada. The private sector as a potential alternative service provider is currently being considered more frequently than in the past, although not exclusively and usually in a competitive “bidding” process with community based not-for-profit organizations. Recent examples where the private sector (as well as community based not-for-profit organizations) was invited to “bid” on a “contract” to provide aspects of municipal recreation program delivery include:

- Thunder Bay: a golf development program
- Calgary: programming of three new community centres
- Winnipeg: potential programming of municipal arena facilities
- Port Colborne: delivery of municipal aquatic, fitness and wellness programs associated with a new community centre

At the current time there are very few examples of successful arrangements where a private sector entity delivers public recreation programs in Ontario or across Canada.

Unlike the United Kingdom context where competitive bidding for local services such as recreation are mandated by legislation, the involvement of the private sector in this role in Ontario and across Canada has been restricted or inhibited by the lack of a fully developed private sector industry presence in this sector; there are only a few private sector organizations active in this service area and to be cost effective it is essential to have competitive bidding for the potential service delivery opportunity. In most Ontario markets there may be only a single private sector organization with the interest or the requisite skills, resources and experience to be considered a viable and realistic potential alternative service provider. As a result, the situation often occurs where not-for-profit community based and volunteer service providers are competing for the same opportunity as the private sector.

Unfortunately the performance of the private sector in this area in Ontario specifically has been marked by failures and poor performance and situations where the private sector service provider required financial relief and assistance from the municipality during the term of service provision. This is in part attributed to the economics of the delivery of public recreation programs and services – where user fees and charges are typically not based on full cost recovery or profitability and are subsidized by the municipality. This presents a significant constraint to the potential for the provision of the service by the private sector.

As a result, the alternative service delivery approach involving the “provision of a service for a specified fee” (not tied to user fee structure or financial performance) are preferred by the

private sector. Not surprisingly, the greatest number of examples of the private sector as alternative service provider are not associated with the delivery of public recreation programs but rather the management and operation of selected types of recreational facilities such as indoor ice arenas, with no role in the direct provision of public recreation programs.

Significant changes to market conditions would have to occur before the private sector capacity in the provision of public recreation programs would be enhanced to a point to establish the pre-conditions for private sector capacity except for those recreation program/activity areas that most closely resemble a private sector service such as fitness/health centres, ice time rental, or higher level gymnastics programs, specialized sport training or experiences such as goaltending training and rock climbing. Few of these would be typically considered a core type of municipal recreation program or service. (This is not to discount the potential for an “individual” to offer their services to provide a specific program – such as personal trainers).

d) *Summary Observations*

The potential application of alternative service delivery approaches associated with public recreation programs in the City of Toronto can be informed by the recent experiences among municipalities in Ontario and across Canada:

- Many municipalities have been involved in recreation service and program planning for decades and this experience has led to the development of organizational capacity and capabilities that enable them to undertake specific policy initiatives and service re-engineering that may be beyond the capability of municipalities with less experience and organizational capacity.
- While there are a wide range and variety of recreation program service delivery models being used throughout municipalities in Ontario and across Canada, there is a significant trend towards reducing the municipality’s role in the direct provision of recreation programs to focus on specific introductory level types of opportunities and an associated increase in the municipal role in supporting community based recreation program providers through responsibilities associated with community development and facilitation.
- As the popularity of alternative service delivery approaches associated with public recreation program delivery and the opportunities for collaboration, cooperation and partnership have increased, municipalities are increasingly recognizing the fundamental value of establishing formal guidelines and policy frameworks to pro-actively guide the evaluation of these opportunities as well as to frame municipal decision making processes and policy in this regard.

There are a number of basic pre-requisites for the successful implementation of any alternative service delivery model associated with the non-municipal delivery of municipal recreation programs and services in the City of Toronto. To be in a position to identify and successfully implement a preferred ASD approach, PF&R should have and/or confirm the understanding of:

- The various roles and responsibilities in recreation program delivery.
- Specific recreation program delivery functions and identified specific programs that would be more effectively provided by others. This involves the identification of criteria for selection of possible candidates for non-municipal provision as well as an understanding of the benefits that may accrue from non-municipal provision. Typical criteria include:
 - There is a documented public demand for the program/activity.
 - The program/activity does not fall within the defined core program services of the municipality.
 - The municipality lacks the skills, competencies, capabilities or resources to adequately provide the program/activity.
 - A non-municipal provision approach represents a more cost-effective method of program delivery.
 - There are existing community based organizations currently providing the service in the municipality.
 - There are existing community based organizations that have the capacity, capabilities and competencies to potentially provide the service and level of interest in doing so.
- Quantitative and qualitative characteristics of demand for the recreation program/activity at a level of detail sufficient to be able to demonstrate the value of the program provision opportunity to non-municipal service providers.
- Capacity of non-municipal service providers and their competency to provide the recreation program/activity.
- A framework to evaluate the viability of potential providers to provide the recreation program/activity.
- Established specific performance standards and program evaluation benchmarks to a level of detail to describe the key factors that will determine the “satisfactory” operational performance in the delivery of the recreation program/activity by a non-municipal service provider.
- Established internal organizational procedures and process to guide the implementation of the approach including establishing relevant staff resources with expertise in recreation program and service planning and delivery as well as alternative service delivery. This is essential to the identification of realistic opportunities as well as capacity to respond to unsolicited proposals.
- Established frameworks and guidelines associated with each type of alternative service arrangement including outline agreements specifying how municipal policies will be applied as well as the basic terms and conditions required of the municipality with specific regard to legal obligations and risks and financial performance and reporting.
- Identified candidate recreation programs and services for potential delivery by an alternative approach and has identified potential non-municipal service providers.

The following will discuss PF&R’s current state of readiness for the implementation of alternative service delivery approaches associated with public recreation programs and identify key actions which will assist PF&R to develop the capacity and capabilities to establish a

comprehensive approach to the evaluation of various opportunities associated with alternative service delivery of public recreation programs in the future.

4.5.2 PF&R-RECREATION PROGRAMS AND SERVICES- SYNOPSIS OF CURRENT SITUATION

a) Municipal Recreation Program Provision

PF&R currently provides and supports the provision of recreation programs and services through a variety of operational models:

➤ *Direct Provision Of Programs*

- PF&R directly provides a wide range and type of registered programs. These programs are broadly organized based on season (spring/summer, fall/winter), geographic areas of the City (Districts) and the supply, distribution and design of municipal facilities.
- Municipal recreation programs are predominantly delivered in or at municipal facilities, although a few are provided at other facilities such as schools and churches.
- PF&R promotion, publicity and marketing focuses on registered opportunities.
- PF&R also provides drop-in and casual opportunities; these appear to be fewer in number and type compared to registered programs and do not appear to be promoted to the same extent.
- Municipal policies have significant implications for the planning and delivery of municipal recreation program services: Welcome Policy, User Fee Policy, Permit Policy, Priority Centres, etc.
- There is an overwhelming number and variety of programs directly provided across skill levels and interests. Compared to most other Ontario municipalities (as well as other municipalities throughout Canada) Toronto is a major direct provider of recreation programs. For example during the Winter Season PF&R provides programs associated with:

- | | |
|-----------------------------------------------------|----------------------------------------------------------------------|
| - ARC (after school recreation care) | - Camp |
| - Arts: dance, drama, music, visual arts, crafts | - Adapted programs and integrated services |
| - Fitness and Wellness | - General Interest |
| - Older Adults: arts, dance, fitness, social, sport | - Pre-School: arts and crafts, dance, drama, music, general interest |
| - Skating | - Ski/Snowboard |
| - Sports | - Swimming |
| - Youth | - Leadership |

➤ *Permits*

PF&R “permits” (rents) the use of municipal facilities (such as halls, gymnasiums and rooms), parks, sports fields, stadium, ice time, pool time for use by community members to accommodate their activities including programs, meetings, tournaments, special events and social gatherings.

➤ *Association of Community Centres (AOCCs)*

There are 10 multi-purpose Board operated facilities that provide a broad range of community, recreation and social services and programs to residents of local

communities. The Community Centre Board governance model is a hybrid whereby the administration functions like a city board, and program delivery functions like an independent not-for-profit community based organization:

- 519 Church Street Community Centre
- Cecil Street Community Centre
- Eastview Neighbourhood Community Centre
- Ralph Thornton Community Centre
- Swansea Town Hall
- Applegrove Community Complex
- Community Centre 55
- Harbourfront Community Centre
- Scadding Court Community Centre
- Central Eglinton Community Centre

PF&R also directly and indirectly provides opportunities for public participation in municipal recreation programs through shared use of school facilities agreements, and arena facilities operated by the Arena Boards of Management.

b) Observations and Issues

- 1. Efforts directed towards the preparation of a municipal Recreation Service Plan and specific service strategies for recreation programs will be beneficial to improving the planning and delivery of municipal recreation services. They will also assist in establishing the pre-conditions for PF&R to assess opportunities and the viability of potential alternative service delivery approaches associated with recreation programs and activities.***

Maximizing divisional effectiveness as well as developing the organizational capacity and competency to implement an alternative service delivery approach associated with recreation programs requires a strong focus on recreation service planning and delivery, and a common understanding of the philosophical orientation of the Division to the planning and delivery of municipal recreation services in general and municipal recreation programs specifically.

Formal goals and objectives as well as the philosophical orientation associated with the planning, provision and delivery of municipal recreation programs have not been defined for the Division. The implicit nature of divisional objectives makes it difficult to determine the degree to which they align with the overall objectives of the City. Likewise, it is difficult to determine whether these objectives are aligned with the basic purposes of the Division.

There is a need for individual plans or strategies for each program area as historical practice is generally driving municipal recreation program planning and delivery. This has led to the adoption of an informal approach of doing what has been done in the past and incremental issue resolution. This effectively maintains the status quo. There is a desire and need within PF&R to strengthen the understanding of the core municipal recreation programs that are to be directly provided, the user groups that are a priority to serve, and what the municipal role is with regard to indirect programming, community development and facilitation related to the recreation services delivery system. However, to do so, it needs to implement its IT strategy (which has already been approved, but its implementation is being delayed).

There appears to be a bundle of municipal recreation programs that are inferred to be those that the municipality should directly provide across the city as well as a group of recreation programs that may be provided at the individual district or community centre basis at the discretion of facility program staff. PF&R is also directly providing some programs that overlap with those programs that are provided by non-municipal service providers, including both the not-for-profit sector and the private/commercial sector in areas such as Fitness and Wellness without a specific rationale for their provision.

It is equally important to note that specific roles and responsibilities for PF&R in the areas of community development and facilitation in the creation and sustaining of a recreation services delivery system composed of many providers (including the municipality, volunteer sector, community based organizations, educational institutions, private sector, other non-municipal levels of government and governmental agencies, etc.) should be documented, communicated and shared across the Division and other stakeholders. There are opportunities to improve working relationships with other City Divisions to ensure a coordinated approach in the areas of community development and facilitation.

Clarification of PF&R's focus and roles and responsibilities in the planning and provision of recreation programs as well as community development and facilitation of the recreation services delivery system will enable the Division to best serve the community in a consistent manner and will improve the effectiveness of strategy development, decision making and operational approaches across the Division.

Clarification of the focus of municipal recreation program delivery will also create the necessary pre-conditions for PF&R to establish their preferred approach to alternative service delivery including the evaluation of opportunities for collaboration, cooperation and partnership with non-municipal service providers. It will also establish the basic framework of objectives and evaluation measures that can be used to ensure any alternative service delivery approach meets stated municipal service provision priorities and criteria.

PF&R has been in the process of developing a **Recreation Services Plan** (RSP) that is intended to address many of the service planning issues. The intent of the Recreation Services Plan is:

"City-wide, multi-year Recreation Service Plan will guide decision-making in the management and administration of all recreation programs and services across the City to establish consistent processes and methodologies, along with a framework to: identify current service levels; articulate the diverse recreation and leisure needs of the City's many communities; provide a basis for decision-making; and establish priorities and principles for investments. This approach will give direction to planning, priority setting and new investment, and will clearly articulate the City's core recreation programs and services in relation to the following principles: equitable access (providing equitable recreation access on a geographic and demographic basis for all residents of Toronto); quality (providing the highest quality of programs and services to enhance the health, quality of life and well-being of residents); inclusion (ensuring that everyone has

the opportunity to access and participate in programs and services that are planned, delivered, and managed to recognize diversity and encourage participation of marginalized and racialized people and groups) and capacity building (providing programs and services of social, economic and physical benefit to all participants and that create a sense of community, belonging, and vitality)."

The consulting team has reviewed the first draft of the RSP framework. As currently developed, the RSP focuses on a high level definition of the strategic values and objectives that should guide the planning and delivery of municipal recreation services. As such the RSP will be helpful in confirming the values and broad goals for the Division and offers a general framework within which to structure more specific action oriented business planning strategies.

It is important to note however that as currently configured, the RSP does not include specific direction in a number of recreation service planning themes such as the preferred roles and responsibility of the Division in either the direct provision of recreation programs or community development and facilitation of the recreational services delivery system.

It is suggested the RSP should include the clarification of PF&R's future roles and responsibilities in these areas and ensure that they are complementary to those of other City Divisions, (in particular the Social Development, Finance and Administration Division) to ensure the effective and efficient coordination of priorities and approaches in the areas of community development and facilitation.

PF&R should then assess its internal competencies and capabilities pertaining to community development and facilitation in general and ensure that there are appropriate and adequate resources to undertake the specified roles and responsibilities.

Further, the consulting team was unable to review the results of public and staff consultation activities or any documentation of information pertaining to trends or demographics, facility use and utilization, program participants or the like, or obtain any documentation of how this data may have been analyzed and interpreted to arrive at the proposed approach.

As a result, PF&R should be encouraged to focus renewed energies on moving forward with subsequent stages of the RSP planning process and to do so in a timely manner. It is essential that a formal planning research methodology and process guide all subsequent planning activities including the documentation of analyses and recommendations. It is also essential that an assessment of the capabilities, capacities and competencies of current resources directed towards this essential planning activity are adequate to ensure its successful completion in the shortest amount of time possible.

Specifically the RSP should:

- Clarify the role and responsibility of PF&R associated with the direct provision of registered programs and drop-in opportunities including the identification of the type of programs to be provided, their target audience, preferred class size, the number of

programs and drop-in opportunities to be provided and the geographic distribution of their delivery (e.g. by 140 neighbourhoods, wards, and/or priority neighbourhoods).

- Clarify the role and responsibility of PF&R associated with community development and facilitation with respect to the recreation services delivery system.

2. Developing comprehensive knowledge of the context for the planning and delivery of recreation services and specifically the “market” for municipal recreation programs/activities will assist and improve service planning and delivery decision making.

PF&R recognizes the need and value in further strengthening the level of comprehensive, quantitative, data concerning a number of key factors that have a major influence on the planning and delivery of municipal recreation services in general, and municipal recreation programs. This was a key rationale in the Division developing a new IT strategy and tools to facilitate such efforts moving forward. PF&R noted the following specific information to be collected, managed and reported to assist its efforts:

- demographic data concerning the composition and characteristics of the population of the city (total population, age and gender are the most important factor; all other census factors would be helpful to track as a resource)
- data concerning the demographic profile of PF&R program/service participants organized by category of service (programs) in a format to allow comparison with the demographic profile of the city and wards (with specific regard to age and gender of participant and place of residence)
- the public’s program and activity participation in general (what, where, provider, basis, etc.)
- the public’s participation in PF&R programs
- participants’ level of satisfaction with PF&R programs
- the programs and activities residents would like to participate in but are not able to
- the main reasons (barriers) residents are not able to participate
- programs and activities residents would like to participate in during the short term future

PF&R received budget approval for the strategy but its implementation has been delayed by others across the organization. It is imperative that the IT strategy is implemented as soon as possible. The establishment of a set of basic data about the context for the planning and delivery of recreation services, assembled and formatted in a manner to allow easy access and continual updating is a valuable type of “foundation” resource for PF&R and will inform the development of future service delivery strategies.

The data should be collected and organized in a manner that supports the geographic basis of PF&R recreation service planning and provision and as a minimum be organized to reflect the “city as a whole” as well as municipal wards and neighbourhoods.

Ideally this data base would also include a regular scoping of trends from provincial and national sources associated with demographics of the population, participation in leisure activities, social and economic trends, etc.

The planning function within PF&R will require adequate staff resources with appropriate professional skills and experience to undertake this form of research. There is a need for understanding and experience with the principles of recreation service delivery, needs assessment and market studies, demographic analysis and projecting demand for recreation services and programs, survey design and implementation, and an understanding of the trends affecting recreation participation and priorities. In this regard there may be specific instances where PF&R would benefit from retaining expert advice and guidance from a recreation service planning specialist consultant to bolster its existing knowledge based within the Division.

3. Improving the level of knowledge within PF&R concerning non-municipal components of the recreation services delivery system will assist the evaluation of potential approaches to alternative service delivery.

Understanding the non-municipal components of the recreation service delivery system (complementary service providers and services, competitive service providers and services, community based groups and organizations, educational institutions, non-profit organizations, commercial/private sector, etc.) in the city; their activities, strengths, abilities, capacities, competencies and resources is an essential first step towards the development of a formal, structured and strategic approach to community development, facilitation and potential collaboration. As such it is critical to the development of a strategy associated with potential alternative service delivery models including the evaluation of the “best” approach, and their successful implementation. PF&R would benefit from enhanced knowledge and information in this regard.

4. Relationships between PF&R with community based organizations and potential partners could be enhanced.

PF&R currently has unique relationships with a few service delivery “partners” as well as components of the municipal system including volunteer committees associated with Pleasantview Community Centre, Banbury Community Centre, Armour Heights Community Centre, the Arena Boards of Management, and AOCCs. These could be strengthened if they were positioned within a strategy of integrated and complementary service delivery to the community.

5. Develop business case analyses and evaluation framework to support potential future alternative service delivery approaches.

Once an understanding of the Division’s roles and responsibilities with respect to both the direct provision of recreation programs and community development and facilitation, efforts can be focused on establishing a framework that will guide staff in the identification, evaluation, and assessment of potential opportunities for collaborative approaches, partnership opportunities, contracting-out, and other forms of alternative service delivery associated with the provision of public recreation programs.

The Division should undertake business case analyses of each of its core recreation program service areas to specify its roles and responsibilities, the services it will provide, how they will be provided, as well as to assess any alternative service delivery/provision approaches and identify the most cost-effective delivery approach consistent with the mandated goals and objectives of the City.

6. PF&R would benefit from the development of business performance measures specifically for recreation service delivery functions and effective program evaluation tools and processes.

PF&R currently utilizes “High Five”⁵² program quality standards. Program outcomes, evaluation, and revision do not appear to be established in a comprehensive or standardized manner or systematically assessed. Program evaluation processes within the Division should be improved and implemented on a systematic basis to provide data that will inform decision making and strategy development.

The performance benchmarks that are currently used could also be revised to provide better informed analysis of operational metrics and support analysis and decision making. For instance:

- Cost per participant is currently used as an evaluation measure. However since decisions made concerning the size of classes will drive this indicator (a small number of users per instructor results in a higher cost per program opportunity compared to those programs that have a larger number of users per instructor) it can be misleading in the identification of potential inefficiencies in terms of operation and service delivery approaches. If it is understood that the cost of program delivery is influenced by factors such as class size (number of participants) then the municipality can make strategic decisions concerning the most efficient class size and cut off points for program provision (the percentage of capacity) as well as examine and test options to maximize the number of participants per instructor. Policies, processes and delivery models have the potential to be inherently inefficient without knowing the major cost drivers of program delivery.

Other examples of meaningful operational benchmarks include:

- examining program participation in terms of program capacity to establish if there is unused capacity to accommodate additional participants
- assessing program participation data in relationship to participant age and gender using age group categories that research has established as a determinant in participation behaviour and preferences to support comparison of Toronto data with provincial and national trends
- facility utilization assessed in terms of the utilization of each activity area within an indoor facility and in relationship to type of use and user

⁵² High Five is Canada's only quality standard for children's sport and recreation, founded by Parks and Recreation Ontario. It operates in a similar fashion as an ISO certification.

PF&R should develop a set of business performance measures that are specifically aligned to reflect an understanding of the specific metrics which are meaningful in the planning and delivery of recreation services.

It is also important to note that performance metrics will be improved/strengthened with the installation of the new IT system strategy.

7. The planning function within PF&R should be restructured and strengthened.

Previous comments and observations have noted planning as a foundation for the preparation of service delivery strategies and plans as a current issue. The function of planning throughout PF&R is fragmented and significant operational and organizational efficiencies and improvements in effectiveness of processes can be realized if this is addressed.

The planning (and design and development oversight functions) of facilities and park infrastructure is organizationally and operationally disconnected from strategic service/business planning and operations. The planning of future facilities is not fully informed by an understanding of the core recreation services of the group or specifically PF&R's desired approach to the delivery of recreation programs and the facilitation and support of community based organizations' activities. Facilities accommodate programs and activities and as such their planning and design should be directed by PF&R's strategies in these areas. The current organizational structure reinforces this disconnect and creates the potential for strategic facility and park planning initiatives to be out of sync and inconsistent with the overall service provision strategy of PF&R.

There is also a need to focus on the development of planning tools and resources that support and inform decision making on a day-to-day basis as well as longer term direction setting including the collection, analysis and documentation of background data in a manner to be used to inform the planning activities. The collection and analysis of data concerning the public including demographic profile characteristics and composition as well as trends in their participation in recreational activities should be considered essential resources.

c) Conclusion

The current situation inhibits PF&R's ability to either be pro-active or respond to the subject of "alternative service delivery" associated with the delivery of public recreation programs. Specific attention should be focused on improving the Division's capacity, capabilities and readiness for an ASD strategy associated with municipal recreation program services. Decisions about the recreation program service area will influence opportunities and strategies for all other aspects of PF&R services as it is a fundamental aspect of the service.

4.5.3 FUTURE DIRECTIONS AND RECOMMENDED ACTIONS

The following outlines a series of future directions and recommended actions associated with the planning and delivery of municipal recreation programs.

1. PF&R should be encouraged to focus renewed energies on moving forward with subsequent stages of the RSP planning process and to do so in a timely manner. A formal planning research methodology and process should be used to guide all planning activities including the documentation of analyses and recommendations. It is essential that adequate and appropriate resources are provided to support this planning activity to ensure its successful completion in the shortest amount of time possible.
2. The RSP should:
 - develop a clear and explicitly stated mission or vision statement, goals and objectives, and statement of the philosophical orientation to the provision of municipal recreation services in general and recreation programs, facilities, and parks specifically. These should be aligned with general City goals and objectives.
 - establish specific Divisional roles and responsibilities in the *direct provision* of recreation programs.
 - establish specific Divisional roles and responsibilities in *community development and facilitation* in relation to the recreation services delivery system including improved alignment and coordination with other municipal Divisions involved in aspects of community development and facilitation, (particularly Social Development, Finance and Administration) to ensure effective co-ordination, communication, information sharing, and identify opportunities for collaboration.
3. The RSP and associated service planning should assess the feasibility of the phased implementation of a revised recreation program delivery model. The proposed recreation program delivery model involves two integrated service planning and delivery strategies:
 - Evolution of the Division's role and responsibilities in the direct provision of recreation programs and activities and drop-in opportunities to place emphasis on the provision of a specified set of core recreation programs
 - Increased emphasis on PF&R's roles and responsibilities associated with community development and facilitation in relation to the community based recreation services delivery system to support the development of community based capacity to provide public recreation programs that complement the Division's direct provision of core recreation programs

Core recreation programs should be those that focus on "introductory level programs" (entry level, learn-to) based on the demands of the community. Program areas currently provided by the City that are not consistent with the future municipal role in the direct provision of programs and drop-in opportunities and have the potential for non-municipal provision in the future should be identified as part of this assessment.

The following describes the proposed recreation program delivery model that should be assessed:

- In general PF&R will focus the direct delivery of registered recreation programs on those that are introductory, entry level or learn-to type of program. These will be considered as the core recreation programs for direct delivery by the Division. Future drop-in programming opportunities provided by PF&R should be considered to complement the direct provision of core recreation programs and as such should focus on opportunities for residents to participate in leisure oriented activities that require minimal staff supervision.
- Programs that involve a higher degree or level of sophistication in terms of participation should not be considered as core recreation programs for direct delivery by PF&R. Specifically, intermediate, advanced, and specialized programs and activities that primarily benefit the individual through the continued development of competency in specific skills and which may, as a result, require specialized facilities and instruction will generally not be provided by PF&R. These types of programs and activities should be delivered by non-municipal recreation service providers (community based organizations, associations or groups, non-profit organizations, educational institutions such as colleges, universities, and/or the private/commercial sector).

PF&R may, in specific circumstances (and based on the preparation of a municipal recreation facilities plan) provide a facility to accommodate some types of intermediate, advanced, and specialized programs and activities within municipal community centres.

In specific situations where there is a documented community requirement for an intermediate level of recreation program/activity, and no existing alternative service provider exists with the capacity or capability to provide the program/activity service, PF&R may, at its discretion and based on a comprehensive assessment of the community benefit, provide, on an interim basis, the recreation program/activity, based on a full cost recovery model, until such time as a non-municipal organization has developed the capacity to provide the program/activity either directly or in partnership/collaboration with PF&R.

As part of the assessment, PF&R will identify specific “special population groups” that may require assistance to access the specified core recreation program and drop-in opportunities and/or that have been identified as a municipal priority for service provision. These may include individuals and groups such as low-income residents, people with disabilities, immigrant and cultural groups, seniors, etc. PF&R will develop specific strategies to ensure accessibility for special population groups.

4. The process of defining the appropriate roles and responsibilities of PF&R in the area of community development and facilitation of the recreation service delivery system should include:
 - Confirmation of PF&R’s current roles and responsibilities and actions associated with community development and facilitation.

- Confirmation of other municipal Divisions' roles/responsibilities and activities associated with community development and facilitation.
 - Confirmation of the current level of understanding and knowledge within PF&R of the non-municipal and community based leisure service providers and components of the leisure services delivery system with respect to services provided, target market segments, facility use, organization, participation, organizational capacity and capabilities, financial viability.
 - Confirmation of the current level of understanding and knowledge within PF&R of the issues confronting non-municipal and community based leisure service providers.
 - Identification of overlaps/duplication in service provision, mandates, roles and responsibilities. Identify existing partnership/collaborations. Identify requirements for municipal support, assistance, facilitation, etc. among non-municipal service providers. Identify opportunities for future partnership/collaboration between PF&R and non-municipal service providers in the delivery of recreation programs, activities, and services to residents.
5. Specific recreation program service provision plans should be developed for each core recreation program area (and special population group) identified as appropriate for future direct provision by PF&R. These service provision plans should:
- Structure the delivery of the specified municipally provided programs and drop-in opportunities for general activities on the basis of age groups: pre-school, school aged youth, teens, adults and seniors.
 - Reduce, wherever practical and financially feasible, barriers to participation in municipal recreational programs and activities. This will include consideration of the following factors during the preparation of the municipal recreation program/activities service plan: physical accessibility to municipal program/activity sites cost of the service; awareness of the opportunity; scheduling participation in a manner to ensure participation; language of the program; instructor training; etc.
 - Identify the program (registered) and drop-in activity opportunities that will be provided, the number of programs (registered) and drop-in opportunities that will be provided, their geographical distribution, preferred class sizes and facility time requirements.
 - Identify program evaluation processes and criteria.
 - Identify a marketing strategy.
 - Establish a financial plan that identifies expenditures, revenues and financial performance/indicators in a manner to assist and guide the budget and decision making processes.

PF&R should ensure that each recreation program plan is based on quantitative data concerning the intended target market segment for services including: demographic profile; an assessment of complementary and competitive service provision by non-municipal providers; an understanding of trends in participation in recreational activities among the target market segment, current best practices in recreation program and activity planning and delivery to each target market segment; and specific market research directed to

determination of the quantitative and qualitative aspects of demand for recreation services for the target market segment.

6. Based upon the provisions of the RSP and associated service planning, PF&R should develop a strategy associated with potential alternative service delivery models. As part of this process PF&R should establish a policy framework that includes a set of minimum standards, guidelines, and criteria to guide the evaluation and assessment of potential opportunities for alternative service delivery approaches in the delivery of recreation programs, activities, and services.
7. PF&R should establish research methodologies and processes to develop a comprehensive data base of both quantitative and qualitative information concerning the recreation service delivery context including:
 - The public's:
 - participation in recreation programs and activities in general (what, where, provider, basis, etc.) with specific focus on participation in municipal recreation programs;
 - level of satisfaction with the current delivery of recreation programs and activities in the city
 - the identification of recreation programs and activities the public would like to participate in but are not able to; identification of the main reasons they are not able to participate (barriers);
 - the identification of recreation programs and activities they would like to participate in during the short term future.
 - Utilization of municipal recreation facilities and parks
 - The non-municipal components of the recreation services delivery system (complementary service providers and services, competitive service providers and services, community based groups and organizations, educational institutions, non-profit organizations, commercial/private sector, etc.) and their relative strengths, weaknesses, capabilities, capacities and competencies.
8. PF&R should develop of a set of business performance measures that are specifically aligned to elements of the directional framework and the business plan, and reflect an understanding of the specific metrics which are meaningful in the planning and delivery of recreation services with a specific emphasis on the identification of "the cost of service" metrics.

4.6 COMMUNITY CENTRES/FACILITIES

This study examined the viability of expanding alternative service delivery models for community centres asset management and operation. To do so, the consulting team analysed experiences from other jurisdictions related to alternative service delivery specifically in Ontario and Canada.

There are a variety of ways in which non-municipal organizations may undertake the management/operation of a municipal recreation facility (or a component of a facility) however most are based on a contractual agreement between the municipality and the non-municipal entity associated with the provision of specified facility management/operation responsibilities in return for a fee paid by the municipality. Variations include the municipality purchasing access in non-municipal facilities for public use thereby shifting the responsibility for facility provision and operation to the non-municipal sector and partnerships where a municipality and a third party collaborate in facility development, capital financing, management and operation.

The efficiency of contracting-out the management and operation of a municipal recreation facility is often based on the assumption that competitive tendering for the provision of the municipal service improves the competitive environment of service delivery and thereby results in a lower unit operating cost. Contracts are typically awarded on a competitive tendering system where the lowest bidder is normally chosen. This is particularly the case in the USA where considerable cost savings (average of 20%) and efficiency gains along with enhanced service levels have been reported. In the Ontario municipal recreation service context there are a very limited number of viable alternative service providers and as a result competitive bidding is rare in alternative service delivery associated with municipal recreation facility management and operation. It is more common for municipalities in Ontario to work in collaboration with an individual alternative service provider in a collaborative process resulting in a legal agreement closely resembling a fee for service agreement. In Ontario the impetus for such arrangements are frequently associated with operational cost efficiencies as well as the fact that the municipality may not have the expertise or resources to properly manage or operate the facility.

4.6.1 TRENDS FROM OTHER JURISDICTIONS: ALTERNATIVE SERVICE DELIVERY ASSOCIATED WITH MUNICIPAL COMMUNITY CENTRES

a) Not-for-Profit Sector Management and Operation

There has been a long tradition of the management and operation of municipal recreation facilities by not-for-profit, community based and volunteer organizations in Ontario and across Canada. A review of these approaches is presented in Section 4.5 “Recreation Programs”. These types of relationships have recently evolved to include examples of “partnerships” between municipalities and not-for-profit, community based organizations in the development and financing of municipal recreation facilities. The terms of these arrangements vary widely and reflect local municipal context, issues and priorities. It should also be noted that there are numerous examples where a municipality has contracted-out a specific, discrete, operational function to volunteers that are not documented in this review.

Among the most successful examples of alternative service delivery approaches associated with the management and operation of municipal recreation facilities are those between various YMCA associations and municipalities. Generally individual YMCA associations have entered into agreements with municipalities for: the management and operation of a municipal recreation facility; municipal support for the provision and operation of a YMCA facility as a replacement for a municipal recreation facility (often in exchange for community access guarantees); and collaborative ventures for joint/shared facility development and operation. YMCA collaboration with municipalities in this regard has been increasingly popular and successful due in part to their experience as well as their orientation to public recreation service delivery which is more comparable to that of a municipality than a private sector service provider or facility operator.

The following highlights examples of relationships between YMCAs and municipalities in Ontario that represent an alternative service delivery approach related to municipal facility management and operation:

- The City of North Bay and The YMCA of North Bay and District jointly developed a 30,000 square foot aquatic centre in 2002, adjacent to the existing YMCA facility. The City-owned, four pool complex is leased to the YMCA. The City covers operating costs, while the YMCA provides maintenance, staffing and programming, including extensive public swimming times.
- The YMCA of Simcoe/Muskoka operates the municipal Recplex in Wasaga Beach. The facility is operated as a full service YMCA with additional public recreation programming. A similar collaboration has been developed between the YMCA and the Town of Innisfil.
- The City of Sarnia contributed to the construction costs of the YMCA Jerry McCaw Family Centre in Sarnia (1997) and provides an annual operating subsidy under a 15 year agreement. The YMCA provides municipal swimming lessons, public recreational swimming and other programs to the general public under the agreement.
- The YMCA of Sarnia-Lambton provides, under contract to the Town of Goderich, all public recreation services at the municipally owned Maitland Recreation Centre. The Town provides an annual fee for management services.
- The YMCA of Sarnia-Lambton operates the municipal Shores Recreation Complex under contract with the Municipality of Lambton Shores and receives an annual financial allocation from the municipality.
- The City of London and The YMCA of London collaborated on the development of the Stoney Creek Recreation Centre in London's north end. The YMCA operates the city owned building as a YMCA.
- The City of Waterloo and The YMCA of Kitchener-Waterloo jointly financed a city-owned, YMCA operated, recreation facility including a public library branch. The city leases the building to the YMCA for a nominal fee, under a 25 year, renewable partnership agreement. The city maintains the building; the YMCA provides staff and equipment and agreed upon non-member access.
- The Town of Cobourg recognizes the YMCA of Northumberland as the primary recreation provider in Cobourg based on a Memorandum of Understanding, (effective 1994-2018). The municipality is responsible for capital and maintenance costs at the town-owned YMCA facility, while the YMCA is responsible for all operational costs.

b) Management and Operation of Municipal Recreation Facilities by the Private Sector

There has been a limited level of activity with regard to the management and operation of municipal recreation facilities by the private sector in Ontario specifically and across Canada generally. Interest began to form in the 1990's primarily as UK based corporations that had experienced growth in this type of service provision in the UK attempted to develop a presence in the Canadian market. During the late 1990's private sector companies were involved in Ontario in the operation and management of the Cumberland Aquatic and Fitness Centre, two golf courses, a twin pad arena in Hamilton and the provision of the municipal parks and recreation function in the municipality of Ingersoll. The private sector organizations active during that era encountered internal organizational issues including financing and as a result municipalities were increasingly unwilling to assume the risks associated with private sector facility management and operation.

Over the years the market for private sector management and operation of municipal recreation facilities did not expand broadly in Ontario. Recently there has been a considerable level of interest focused on private-public partnerships associated with the financing, design, development and operation of larger scaled arena/trade show/convention facilities and multi-pad indoor ice facilities. However the track record of private sector performance in these partnerships has varied significantly.

There are a few private sector companies currently active in this service sector (or aspects of it) across Canada and for the most part they are primarily focused on the management and operation of indoor ice facilities, not the provision of municipal recreation programming. It should be noted that at any given time, there may be unique private sector organizations in specific municipalities that may be interested in the management and/or operation of a municipal recreation facility or a discrete component of municipal facility operations such as custodial, security or operation of highly specialized equipment. The limited number of private sector companies active in the business reduces the competitiveness of the bidding process which is a major driver of cost-effectiveness specifically in the contracting out of the management and operation of municipal recreation facilities to the private sector.

Examples of current municipal facilities operated by private sector management companies include: Mohawk 4-Ice Centre, Hamilton, ON, Tim Horton's 4-Ice Centre Moncton NB, South Caribou Recreation Centre, 100 Mile House, BC., Guelph Sports & Entertainment Centre, Guelph, ON, Red Ball Internet Centre (four pad ice), Moncton NB, BMO Centre (4 pad ice) Halifax, NS, Pitt Meadows City owned arena (3 ice pads-five year operating contract), Kingston K-Roc Centre, Kingston, ON (under review due to poor financial performance), West Carleton Community Complex, Ottawa, ON, and Hershey Centre, Mississauga, ON.

The assumed benefits of capital financing associated with more recent private-public partnerships involving facility development provide the incentive for municipalities to consider this approach mainly for the design, development and financing of public recreation facilities. It

should be noted however that the benefits for a municipality of this approach largely depend on the specific terms of each agreement.

Recent examples where a municipality solicited private sector interest in the management and operation of municipal recreation facilities include:

- Winnipeg is currently exploring this approach as the preferred method of developing new municipal indoor ice facilities and has issued a RFP that includes an option for management/operation of the new arena facilities.
- The City of Calgary is planning 4 new recreation facilities in the most under-served areas of the city. Each will have amenities designed to meet the specific needs of their area. Lands have been secured, partial municipal funding established, the program and amenity mix have been developed, however PPP Canada denied the City's funding application for up to 25% of the project costs. It is intended that that each facility may be managed and operated and recreation programs and activities provided on collaboration between the municipality and a programming partner at each facility and an EOI process has been initiated in this regard. It should be noted that the City undertook extensive facility planning analysis to support this process including the preparation of a detailed comprehensive municipal recreation facilities plan.
- The City of Port Colborne has recently been unsuccessful in RFP processes soliciting a non-municipal private sector manager/operator for its new arena, pool and wellness centre.

Given the current state of the private sector's capacity in this area, it is unlikely that this approach represents a realistic alternative for the management and or operation of the City's recreation facilities in general, although it may be a potential approach with specific respect to municipal indoor ice arena facilities. One complicating consideration in this regard is that a number of the indoor ice facilities are developed as part of a multi-purpose community centre.

c) Conclusions

In almost every situation where a municipality has entered into an alternative delivery approach associated with the management/operation of a municipal recreation facility, the municipality had previously determined that:

- there was a need for the recreation facility in their community and substantiated that requirement through planning research;
- the municipality was not in a position to finance the facility development/construction or undertake the management/operation of the facility or undertake the programming of the facility; and
- the management/operation of the facility was deemed to be financially unviable based on a traditional municipal delivery model and a less-costly management/operational approach was deemed to be fundamental to the continued provision of the municipal facility.

The most successful contracts or agreements tend to be those that are based on defined or specified outputs that can be measured, as it is easier to monitor the quality of the output and it

allows the contractor the ability to organize the operation to obtain output targets in the most efficient manner. Experience also suggests that there are often advantages to limiting contract terms as an inducement to the successful bidder to remain competitive and to be considered as a potential candidate when the next contract term is rebid.

4.6.2 PF&R: COMMUNITY CENTRE MANAGEMENT AND OPERATION

The City, through the PF&R Division, provides a large number and variety of types of indoor community centre facilities that accommodate a range of uses including the recreation programs and activities directly provided to residents by PF&R as well as those programs and activities provided by community based service providers through the rental of facility activity areas (through the permit process).

The system of municipal community centres is a significant municipal infrastructure asset and as such the potential for inefficiencies is magnified simply due to the large number of facilities that are managed/operated. The potential impact of any inefficiency in operational approaches or processes that are system-wide will be multiplied by the current scale of operations.

The municipal indoor facilities are referred to by a variety of names including “community centres”, “recreation centres” and “community recreation centres” and there seems to be an implicit assumption among staff of PF&R that these labels have meaning in terms of defining the nature of the intended public use of the facilities, however this is not formally documented, nor is it clear what the distinctions may be.

The municipal indoor community centre facilities vary in design, size, and the mix of indoor activity components provided as well as service areas, age, physical condition and relationship to outdoor activity spaces. Some are single-purpose in orientation (such as indoor ice facilities) and some have a multi-purpose or multi-use orientation. Few are developed as part of a larger grouping including other types of facilities, which is currently the trend in the industry for these types of facilities (such as combined library, pool, community centre and arena facilities).

The municipal community centre facilities are organized for operational purposes on a “District” basis or structure although some municipal community centre facilities are regarded as “City-wide” facilities primarily as a result of the intended market area for their use.

There are a variety of operational models utilized within PF&R associated with the management and operation of the community centre facilities; the majority are managed and operated directly by PF&R however some PF&R managed and operated facilities have aspects of their operation that are contracted out to the private sector (cleaning services in the Scarborough district).

A number of municipal indoor arena facilities are operated by Boards of Management with a governance and management/operational model distinct from the community centre facilities managed and operated by PF&R.

There are also 10 multi-purpose Board operated facilities that provide a broad range of community, recreation and social services and programs to residents of local communities. The Community Centre Board governance model is a hybrid whereby the administration functions like a city board, and program delivery functions like an independent not-for-profit community based organization:

- 519 Church Street Community Centre
- Cecil Street Community Centre
- Eastview Neighbourhood Community Centre
- Ralph Thornton Community Centre
- Swansea Town Hall
- Applegrove Community Complex
- Community Centre 55
- Harbourfront Community Centre
- Scadding Court Community Centre
- Central Eglinton Community Centre

A number of municipal policies have significant implications to community centre facility management and operation in terms of setting user fees (which is a source of operational revenue), facility use allocation policies (which set priorities for the types of users to be accommodated, which in turn has an implication to potential for revenue generation) and accessibility policies such as the designation of priority centres and associated free-use provisions.

In addition, PF&R has attempted to generate interest in alternative service delivery approaches for the management and operation of municipal community centres as well as program delivery through Below Market Rent agreements. In 2006, Council directed that tenants in Below Market Rent spaces be responsible for all operating and maintenance costs and any property taxes associated with their leased premises. In this approach the facilities remain available to residents but the operating costs are the responsibility of the tenant.

This approach has had limited success as a strategic direction for the development of a new model for the management and operation of municipal community centres (or the delivery of services) primarily as it assumes that there are a number of existing community based organizations that have the capacity, resources, and competencies to manage and operate a community centre and have a need or interest to do so as a primary requirement of their provision of services to the community. The financial requirements associated with specific provisions, terms and conditions of the agreement such as the payment of property taxes may make the approach financially unviable for many if not most community based organizations. However the financial viability of this model for community based service providers has not been assessed in a comprehensive manner. It would be beneficial for PF&R to develop a more thorough understanding of the capacity and constraints for community based recreation service providers in terms of the potential for management or operation of community recreation facilities in general and specifically the provisions of the Below Market Rent agreement terms.

As has been discussed, many other Ontario and Canadian municipalities including Vancouver and Halifax have taken a different approach to this type of alternative service delivery strategy in general and the associated facility leases specifically (See Section 4.5 Recreation Programs).

There are considerable variances in terms of PF&R facility staffing structure and staffing allocations in those community centres which are operated by PF&R and there is limited use of contracted services except in the Scarborough district where the janitorial/cleaning function is currently contracted out to a private sector service provider.

The wide variation of design and physical configurations of internal spaces across the City's community centres have implications to staffing deployment and coverage and there are instances such as the Etobicoke Olympium where it appears that the design of the interior space, and the lack of a central reception area staffed by a municipal employee, creates situations where individual activity areas in the facility (such as the pool, the gymnasium and the health/fitness centre) each have municipal staff performing similar duties associated with reception, registration and handling cash. In addition the physical design of some community centre facilities creates requirements for additional staff associated with ensuring access control and security on the premises. In essence some community centres are designed in a manner that makes them inefficient from an operational perspective.

The fundamental operational cost drivers of municipal community centre management and operation include:

- the age and physical condition of the facilities (older facilities may be less efficient in terms of energy use, a number of facilities require significant capital investment to equipment and building systems and until these are performed on-going day-to-day repairs are necessitated),
- the design of the facilities,
- operational staffing structure and allocations, including overlap in duties of recreation program staff and facility operational staff,
- the implications of provisions of the existing collective agreements (absenteeism, bumping, work selection, etc.), and the fact that it precludes the involvement of volunteers in day to day operational activities which many other municipal facility operation approaches rely upon, and
- the current municipal purchasing process.

On the revenue side facility utilization, the percentage facility use for municipal recreation programs and drop-in opportunities as opposed to permitted use and the profile of permitted users and associated user fees determine each facility's revenue generation potential which affects its financial performance. A fundamental consideration in this regard is the efficiency of the current utilization of the indoor activity areas in each facility (as well as the user profile) however this data was not available at a sufficient level of detail for any meaningful analysis. Related to these considerations is the fact that the reservation or permitting of use of space in the community centres is not centralized but is performed at each individual location. While this may provide a degree of local control over facility use, it impedes the Division's potential to market unused facility time which could potentially increase revenue and improve the financial performance of the facilities affected. PF&R should be encouraged to implement centralized permitting of facility space on a system wide basis.

A significant inefficiency of the current situation associated with community centre assets is one which affects many management/operational decisions and processes is the lack of service planning, service delivery data and operational performance benchmarks. Facility operations are hampered in any efforts to improve efficiency or effectiveness of service provision, operational approaches and processes by a lack of information to inform analysis and decision making. There is a lack of a robust performance management regime and no universally recognized or utilized set of performance benchmarks. Even the most basic information in this regard is generally not easily accessible or not available. There is a lack of asset and risk management strategies for resources to guide or assist in decision making concerning the physical infrastructure and there is a similar lack of an analytical framework or data to assist in determining if the current level of facility provision is adequate and appropriate or over/under supplied.

These gaps are compounded by a lack of clarity or defined service levels for recreation services in general such as the municipal recreation programming role and how it impacts the requirements for facilities to accommodate the provision of municipal recreation programs as well as the utilization of existing community centre facilities. As a result, the need to address these gaps should be considered of paramount importance for the Division in any effort to improve the efficiency or effectiveness of the provision, management and operation of community centre facilities.

The separation of facility planning/design/development functions from facility management and operation functions also is problematic as it creates the potential for facilities which have inherent operational inefficiencies. It also creates a potential threat to efficient service planning of uninformed resource allocation decisions, and in the case of the community facility portfolio, the potential order of magnitude cost implications of errors is significant as well as the missed opportunities to improve the utilization of current infrastructure and assets or to plan and design future community centre facilities to be operationally efficient.

This information gap and disconnect between planning and operations is also a fundamental barrier to the establishment of a comprehensive strategy concerning alternative service approaches related to the management and operation of existing community centres as well as those developed in the future.

Towards this end, it would be advantageous for PF&R to immediately direct attention to the implementation of a two-phased facility planning process within the Division comprised of:

- The development and documentation of a comprehensive report on the status of current facilities; and
- The development of a 20 year Recreation Facilities Master Plan supported by a 10 year capital plan.

4.6.3 FUTURE DIRECTIONS

a) Development of a Comprehensive Facility Status Report

The development of a comprehensive report on the status of the current municipal indoor recreation facilities including community centre assets will support the subsequent preparation of a Recreation Facilities Master Plan and it will also provide a valuable tool for the Division to use immediately to inform decision making and the assessment of options and alternatives associated with all aspects of the provision, management and operation of municipal community centre facilities.

This document should include as a minimum:

- A comprehensive inventory of existing municipal indoor recreation facilities that identifies:
 - location, street address
 - date of construction
 - major repair history, current status with respect to SOGR report
 - size of building in terms of net square feet
 - a listing of all indoor program/activity and service spaces including their individual size (area) and major equipment features
- The operational approach for each municipal recreation facility including organizational structure/roles and responsibilities, and staffing allocations for all management and operational functions.
- The operational schedule for the facility based on day of the week and season translated in total hours of prime time and non-prime time service provision, and for each activity area within the facility.
- An analysis of the current utilization of each activity area within each community centre facility (on a weekly and seasonal basis including consideration of prime/non-prime time), and an analysis of the characteristics and composition of use.
- An analysis of the current level of service provision based on supply and distribution of infrastructure assets by type.
- A detailed reporting and assessment of operational expenditures and revenues for the last three years at a sufficient level of detail to identify the implications of public use of the facilities.

Once the detailed inventory and analysis have been documented, a summary report for each type of facility on a district and city wide basis should be prepared. The results of this should actively be maintained as a comprehensive facility database for future use by the Division.

b) Development of a 20 Year Recreation Facilities Master Plan

Once the development of a comprehensive report on the status of current municipal indoor recreation facilities has been completed, PF&R should focus attention on the preparation of a Recreation Facilities Master Plan.

The first step should be the preparation of a detailed research approach and work plan that identifies:

- the scope of the plan and the key service planning and provision issues that need to be addressed
- research methodologies to be utilized based on a specified description of level of detail of the type of data to be collected, the type of analysis to be conducted, and how the Plan will be documented and formatted for subsequent use in planning activities within PF&R
- existing information sources and data
- key participants from within PF&R and other City divisions that should be consulted in the preparation of the Plan

This step should also include an assessment of the requirement for assistance from an outside expert/consultant to assist in the preparation of the Plan.

The Recreation Facilities Master Plan should as a minimum:

- Identify and assess the demographic factors and trends which currently have and are anticipated to have an impact on the planning and provision of municipal indoor recreation facilities.
- Identify and assess the trends in recreation activity participation and recreation facility planning, development, design and operation which may have an impact on the planning, provision and use of municipal recreation facilities.
- Identify and assess the level of current provision of non-municipal community and private sector based recreation facilities in the city that have an implication to the current and future planning and delivery of municipal recreation facilities.
- Assess the duplication/overlap/complementary provision of municipal public use facilities (such as recreation centres, libraries, etc.) and their relationship to the current provision/supply of non-municipal indoor facilities oriented to public use (educational facilities, not-for-profit, and private sector facilities).
- Identify and assess current and projected future demand from residents and community based organizations for indoor recreation program and activity space requirements. Identify and assess aspects of current and future demand that may be appropriate for accommodation in municipal recreation facilities. Identify barriers to public use and access of municipal recreation facilities. Assess if hours of operation correspond to periods of greatest public demand and use.
- Identify and assess implications to the planning and provision of municipal recreation facilities of other municipal planning, development, land use, and policy initiatives and priorities.
- Determine current and short term future facility strategies including: redevelopment, expansion, repair, decommissioning, rationalization, and additional facilities requirements.
- Establish planning and design guidelines and frameworks to assist and support future planning, design and development actions and examine facility development principles including community hubs, integrated facilities, facility groupings, design flexibility and multipurpose orientation, and operational efficiencies.
- Establish service standards, facility service hierarchy or typology, and operating model for City owned and managed indoor recreation facilities.

- Establish framework as to analysis needed to identify when, under what conditions/factors new or additional facilities are required, or facility strategies associated with maintenance or replacement should be implemented.
- Establish performance benchmarks for the management and operation of municipal indoor recreational facilities.
- Establish operational implications of future strategies.
- Establish capital financing implications of future strategies.

c) Maintenance and Cleaning of Community Centre and Recreation Facilities

Currently, PF&R has a mixed service delivery model as it relates to the cleaning and maintenance of community centres and recreation facilities. The majority of the City recreation facilities are cleaned and maintained by unionized city staff. The main exceptions are the facilities in Scarborough which contracted out the cleaning of facilities prior to amalgamation.

Informal discussions with staff during the site visits and those participating in the key informant interviews noted the following:

- Many commented on the cleanliness of the Scarborough facilities and noted they are generally “cleaner” than the majority of other city community centres/recreation facilities. The consulting team noted such a difference during the site visits conducted for this assignment.
- Further, those with experience with the use of contractors for cleaning noted the time efficiencies resulting from no longer having to manage cleaning staff and any of the common HR and LR issues linked to managing staff.

This suggests that a similar alternative service delivery model of contracting out of facilities cleaning and maintenance for other areas of the City, if not all. However, PF&R does not currently collect data to clearly demonstrate cost/benefit of such a model. Regardless, if management and supervisor time is reduced (i.e. streamlined) by not dealing with LR and HR issues; this is an important efficiency. Such data should be collected and the feasibility confirmed in the short term.

The Corporate Facilities Management Division (FM) provides support to City Divisions on a full cost recovery basis. PF&R has used the services of FM in the past; however, it was anecdotally noted that FM did a reasonable job but were not necessarily cost effective and timely when completing assignments.

FM’s costing model (i.e. full cost recovery) using unionized City employees for many assignments is not cost competitive with the private sector. To best manage costs, PF&R should have the flexibility to further examine alternative service delivery models – whether they are private or FM so long as it maintains or exceeds the same standards of cleanliness, maintenance or services. This flexibility will facilitate efficiencies and the Division’s ability to adapt and respond quickly to the needs and changing demands of Toronto.

5 – SUMMARY OBSERVATIONS, CONSIDERATIONS AND RECOMMENDATIONS

The following observations, considerations and recommendations are based upon the consulting team's analysis and triangulation across the various lines of evidence. These lines of evidence included background documentation, jurisdictional comparisons and interviews, site tours, discussions (interviews and informal focus group discussions) with PF&R staff, and other data sources provided to the DPRA/LeisurePlan team. Based on the analysis, the following are the consulting team's observations and considerations to facilitate Division, Committee and Council decision-making related to PF&R process efficiencies, effectiveness as per the Statement of Work (SOW).

This report documents both the study process and study results based on a limited scope and timeline: this is not an in depth comprehensive assessment. The observations, findings and recommendations are approximations and meant to guide PF&R to complete further evaluations, assessments and planning initiatives.

The calculations and numbers presented in this report are based on the information and documentation provided to the DPRA/LeisurePlan consulting team during the SES. Limited data was available and accessible for this assignment, however staff provided what was possible. Hence, some of the analysis is limited and requires further assessment upon the collection of quantitative information by the City.

Each specific recommendation includes a description/rationale; the estimated cost implication of the recommendation – or potential cost savings/revenue generation to the Division and the City of Toronto; the priority compared to other recommendations with respect to implementation (low, medium or high); the estimated timing for implementation; and the identification of points to consider with respect to implementation (i.e. risk).

The following is a summary of the key findings and recommendations emerging from the SES. The following observations, considerations and recommendations are cognizant of the efforts and commitment of PF&R related efficient and effective operations, pride in what they deliver and how they serve residents of Toronto. Further, while the consulting team presented a series of options in Section 4 for each area of study, the following are the recommendations proposed by the DPRA/LeisurePlan team.

5.1 RECOMMENDATIONS

RECOMMENDATION 1 – Pilot assessment of “commercial operational model” for golf operations. The City should consider running golf courses based on a “commercial operational model” as opposed to the public service model. A pilot case should be established at one of the better performing courses such as Don Valley. This could include taking back food and beverage and pro shop functions. Another option that could be “piggy-backed” on this pilot course is the private club model of corporate versus public use of municipal golf services. This should include

a revision of rates and tee times. However, this may be problematic given that Council annually establishes and approves the green fees. PF&R should request the flexibility from Council to adjust green fees to reflect market rates. Further, it should be recognized that contracts were recently finalized for the pro shop and food/beverage operations and as a result the implementation of this recommendation should be phased accordingly.

Cost:	<i>5 FTEs (seasonal at \$50,000 each = \$250,000); stock for the pro shop and the food/beverage (estimate of \$100,000) for a total of \$350,000.</i>
Savings:	<i>Increase green fees by \$20 (or more appropriate amount closer to market rate); increase cart rentals by \$5; increase food and beverage margins by 15-20%. <u>After costs (i.e. noted above)</u>, it is assumed a net revenue of an additional \$100,000 - \$150,000.</i>
Priority:	<i>Low</i>
Timing:	<i>Planning to be initiated 2013 through 2014 and implementation in 2015. There is a new 3 year agreement in place for pro shop and food/beverage so such a pilot would need to be completed after the 3 year term. It will require time to develop the implementation plan and the allocation of staffing to assume duties associated with pro shop and food and beverage operations</i>
Risk:	<i>Medium – There may be some client resistance for the temporary evolution of the City's busiest public run course. There could also be public resistance related to higher green fees initially and that Council may politically have little appetite for transforming a public program into a private program which could be perceived as limiting access. Lastly, depending on timing of implementation and status of contract of Pro Shop and food and beverage, this could be somewhat problematic from a contract administration aspect.</i>

RECOMMENDATION 2 - Given the high number of rounds played (compared to privately run courses) which can impact maintenance costs, it is recommended that fewer tee times be offered and that Golf Operations have the flexibility to offer market rates for golf. This would result in high quality service without impacting revenue/costs to the City. Further, it should also result in longer term savings associated with course maintenance.

Cost:	<i>Nil</i>
Savings:	<i>TBD – longer term</i>
Priority:	<i>Medium - High</i>
Timing:	<i>2012 planning, logistics and discussions with committee followed by implementation in 2013</i>
Risk:	<i>Medium –There could also be public resistance related to higher green fees (i.e. market rates) and fewer tee times.</i>

RECOMMENDATION 3 - Council set a range of fees that PF&R could adjust within to provide PF&R staff the flexibility (in consultation with the pro shop contractor) to reflect market trends in prices schemes as required (linked to Recommendation 2).

<i>Cost:</i>	<i>None – completed internal within current approved budget for PF&R</i>
<i>Savings:</i>	<i>N/A</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012 planning, logistics and discussions with Council followed by implementation in 2013</i>
<i>Risk:</i>	<i>Nil</i>

RECOMMENDATION 4 - The City should establish greater incentives in agreements with pro shop and catering service contractors. These incentives should entice contractors to generate more revenue to the City. Efficiencies could also be achieved by extending the length of the agreements (e.g. to 5 years). *Note: the City has recently negotiated a new contract which is a 3 year term with an option to renew for 2 additional years.*

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>\$50,000 - \$100,000</i>
<i>Priority:</i>	<i>Low – Given that the City has recently negotiated a new deal, this recommendation should be considered further once the current contract expires.</i>
<i>Timing:</i>	<i>2015</i>
<i>Risk:</i>	<i>Low - This would reduce City staff time invested in TOR and RFP development, review, analysis, agreement review and development by Legal Division, etc. This also allows the contractor sufficient time to recoup costs and develop short to medium term strategies to improve services and increase revenues.</i>

RECOMMENDATION 5 - A proportion (e.g. 50% of net golf revenues - which is similar to other jurisdictions) be reinvested back into capital infrastructure of the courses (club houses, horticulture, etc.).

<i>Cost:</i>	<i>Any costs of putting money into such reserves would be offset by savings or additional revenue generation from golf. Further, many of the facilities require the capital improvements regardless.</i>
<i>Savings:</i>	<i>Enhancements to club houses and horticulture will improve the user experience which can demand greater green fees and additional revenue generation. These funds would offset costs.</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Nil – ensures the appropriate investments are made to the most appropriate golf venues. It will improve the assets and customer satisfaction and experience.</i>

RECOMMENDATION 6 - Continue to support the provision of skiing as a municipal public service for residents, but there is a need to reduce the risk and cost associated with the provision of this service. Given the recent capital investments to Earl Bales Ski/snowboard centre facilities and equipment, the City should continue to provide this service. Currently ski hills (depending on weather), generate some revenue or come close to break-even (i.e. lose money). To reduce service delivery risks and costs, presuming the status quo and that PF&R continues to provide this service at both of its locations, PF&R should consolidate operations. This would maintain the current level of municipal service provision of two ski/snowboard centres and focus on the objective of managing the financial risk and costs through restructuring and re-positioning the service.

The City, through PF&R, should re-engineer the planning, delivery and operation of the municipal ski/snowboard centres service focused on the integration of operations into one unit. A specific business plan should be developed to guide operations and public programming in a manner to maximize use, revenue generation and operational efficiency focused specifically on the ski and snowboard business.

This requires the preparation of a short term – three year - business plan to guide operational decisions and actions structured to support operational flexibility and entrepreneurial approach specifically to marketing and revenue generation. During the three year period PF&R should focus specifically on operational procedures, service planning and delivery focused on maximizing revenue generation from operations (through increased use, revised pricing structure, increased yield per visit, increased revenues from food and beverage) and overall financial performance.

- Improve rental inventory control and automation, demand vs. inventory and examine sponsorship potential
- Re-examine potential for bringing food and beverage operations in-house based on a revised business plan
- Develop revised user fee structure for service areas to expand based on market demand
- Track and monitor use data, visitor satisfaction

PF&R should develop an aggressive advertising, sponsorship program, including special events. PF&R should specifically target private sector ski operators as sponsors based on the development of a value proposition focused on the central role the municipal ski operations play in developing markets for private ski operators. PF&R should also seek sponsorship for both on-going operational funding as well as special events/major equipment. Seek sponsorship of rental operations including supply of equipment.

Cost:	<i>Nothing additional beyond current approved operations and capital budgets.</i>
Savings:	<i>Approximately \$75,000 (or one FTE) through a consolidated operational unit.</i>
Priority:	<i>High</i>
Timing:	<i>2012 planning and logistics, 2013 implementation</i>
Risk:	<i>Nil</i>

RECOMMENDATION 7 – City should consider facilitating the establishment of targeted volunteer organizations with a primary role associated with fund raising to offset operating costs specifically associated with the operation of farms/zoo and parks maintenance. Further, improved coordination of numerous opportunities for partnerships with private sector and community groups on the City and divisional levels will lead to service efficiency gains (for new initiatives). The range in timing herein represents the acknowledgement that it may take up to 3 years to change cost structure and fully cover costs (or cover most costs). If after 3 years of minimal change in cost structure occurs, then the City should consider closing the relevant farms/zoo (or keep them closed depending on outcomes from Council and Executive Committee).

Cost:	<i>Nil</i>
Savings:	<i>TBD – intent is to raise funds to offset some of the operating costs. Assumed to be \$50,000 to \$75,000</i>
Priority:	<p><i>Medium - Sharing information among municipal divisions on potential partnerships will facilitate the process of involving community groups and businesses. This can be achieved through regular meetings/updates of divisional representatives responsible for these activities. The involvement of community groups and businesses in selected activities will require upfront definition of roles and responsibilities consistent with PF&R priorities.</i></p> <p><i>Partnerships with community groups and private sector can reduce expenditures on maintenance of selected parks. Also, providing publicity to such agreements and acknowledging contributions made by partners will improve public image of the division and the City.</i></p>
Timing:	<i>2012 – and on-going</i>
Risk:	<p><i>Low – preventing the City's exposure to health and safety liabilities as it relates to volunteers and park operations. Coordination of volunteer and community groups will require resources of divisional staff. In order, to maximize benefits of such partnerships, roles and responsibilities of involved parties should be clearly defined in advance.</i></p> <p><i>Further, there is a need to ensure such support does not contravene the collective agreements.</i></p>

RECOMMENDATION 8 – Introduce the use of donation boxes at farms/zoo (e.g. High Park Zoo and Riverdale Farm). For example, a donation of approximately \$1 from 10% of High Park's 1,000,000+ visitors would raise a conservative estimate of \$100,000. Beacon Hill Farm in Victoria suggests donations of \$3.50 for adults and \$2.50 for children; hence it is possible to generate further revenue from donations than the conservative estimate of \$1.00. Other jurisdictions are able to significantly cover most to all operational costs through donation boxes and sponsorship. This recommendation could be implemented immediately with low risk and immediate returns. Given that there will be no cash transactions, limited staff support is

required. Further, given the minimal cash in the box on a weekly basis, the risk of theft is minimal: special boxes have been designed and are available that prevent/inhibit crime/theft. It is also recommended that Council extend the operation of High Park Zoo and Riverdale Farm to allow phased in revenues over a period of two years, after which a decision to close or continue operations of the zoo and farm can be made.

<i>Cost:</i>	<i>\$5,000</i>
<i>Savings:</i>	<i>\$200,000 to \$400,000</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Low – limited cash on site. No cash transactions. Box would be a design which includes theft deterrents</i>

RECOMMENDATION 9 – Programs such as adopt an animal, hay day, etc. could provide a new revenue stream for High Park Zoo and Riverdale Farm.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>Up to \$50,000</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Nil</i>

RECOMMENDATION 10 – Examine sponsorship from nearby Business Improvement Areas, private corporations, and assess partnerships with feed mills for reduced costs on food for animals at farms/zoo.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>Up to \$50,000</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Nil</i>

RECOMMENDATION 11 – Determine viability for development of a partnership with the Ontario Veterinary College to further reduce the veterinary costs for animals at farms/zoo.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>\$25,000</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Nil</i>

RECOMMENDATION 12 – That a conservancy model not be established or considered for any PF&R operations (e.g. High Park Zoo, Riverdale Farm or Parks Maintenance) given the high risks, specialized training and understanding of animal husbandry, horticulture, etc. and likely instability (both governance and funding sources). A conservancy model provides fewer benefits, and removes economies of scale (in particular for park maintenance which is one of the City’s competitive advantages).

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>Not Applicable</i>
<i>Priority:</i>	<i>Medium – High The size of the operation of park maintenance in Toronto gives PF&R the ability to be cost competitive with the private sector but work without a profit margin; resulting in the program being affordable (i.e. operating in a “business-like” manner).</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Nil - There is a role for volunteers and sponsorship for High Park, but it does not require a governing entity. Successful conservancies (such as Central Park in New York) require certain population demographics such as significantly higher than average household incomes, and a membership with a proven track record for raising significant funds. Hence, such an option is not appropriate for High Park zoo.</i>

RECOMMENDATION 13 – Leverage existing entertainment partnership (i.e. Centerville) by revising RFP to include the operation of both facilities (i.e. Far Enough Farm). The idea is to make this a collective destination with Far Enough Farm. If upon issuing an RFP, no proponent is interested in Far Enough Farm, then City should consider closing it/keep it closed.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>\$120,000 – \$220,000</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012-2013</i>
<i>Risk:</i>	<i>Low – some public backlash as a result of closure</i>

RECOMMENDATION 14 – An examination of the pros and cons of various governance models for volunteer / community based operation of Riverdale Farm should be carried out in 2012. This could include seeking and obtaining charitable status, grant application, and other fund raising options that fall outside the mandate of the City of Toronto.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>TBD likely \$50,000</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Medium – need for a strong group to emerge that can obtain the charitable status, conduct fund raising and excel at grant applications.</i>

RECOMMENDATION 15 – Do not renew the lease for 2012 with the Friends of Riverdale as it currently stands; cease the Riverdale farm advisory committee; and, re-position a volunteer role in the planning and delivery of services for the future based on:

- a revised governance model;
- a more comprehensive volunteer participation structure with defined roles and responsibilities related to strategic positioning of the Farm; and
- a funding plan based on revenue sources associated with fund-raising / donations, activity fee, etc.
- The result would be reduced staffing chores with new funding streams to offset programming costs.

If this option is implemented, the community based organization would need to comply with relevant City policies (user fees, permit of facilities, etc.).

Re-structuring should include participation of other agencies with mandates that are related to historical interpretation (e.g. Black Creek Pioneer Village, City museums, etc.) and opportunities for coordinated marketing and joint programming explored.

The Riverdale Farm Coalition should develop and present its business plan to P&E Committee and that Council should assess the credibility of the plan. If not credible, then entertain the option of closing Riverdale Farms (presuming that the earlier recommendation of a donation box among others is not endorsed).

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>TBD - likely \$50,000-\$75,000</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Medium – there is a role for the Friends of Riverdale and the advisory committee but not in its current form and located within the facility as it causes role confusion for both patrons and the Friends of Riverdale and the advisory committee.</i>

RECOMMENDATION 16 – Cease the delivery of City recreation programming at Riverdale Farm. The City would no longer be involved in the provision of recreation programs at the site. The City can provide support, but not directly deliver programs - this would be done by volunteers/ community based organizations.

<i>Cost:</i>	<i>Nil</i>
<i>Savings:</i>	<i>TBD likely \$25,000</i>
<i>Priority:</i>	<i>Low - Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Medium – need for a volunteers to continue to offer programs if desired.</i>

RECOMMENDATION 17 – City staff to develop a comprehensive business plan geared towards revenue generation to attempt to cover operating costs at Riverdale Farm. This could include the production of food for sale (eggs, milk, cheese, vegetables, etc.). The City could invest in the kitchen facility so it can operate as a small restaurant with “organic homemade products” for patrons. This option would also require refocusing the farm on crops and smaller animals (i.e. no larger animals that do not necessarily fit within the new model).

<i>Cost:</i>	<i>\$100,000</i>
<i>Savings:</i>	<i>TBD likely \$200,000</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>Planning 2012, recognizing the transformation will not likely be completed until 2014</i>
<i>Risk:</i>	<i>Medium – need to redevelop and invest in select buildings such as the kitchen at Riverdale, creation of a more appropriate store that sells organic foods, crafts and collectibles.</i>

RECOMMENDATION 18 – PF&R should continue with its plan to acquire and implement the necessary IT systems and programs which will facilitate the application, monitoring, and evaluation of performance and efficiencies of achieving parks maintenance standards (as well as other areas of performance). This will improve efficiency, effectiveness, planning, transparency and accountability. PF&R needs asset management/mapping and work order tools to keep track of its assets, develop maintenance and state of good repair plans and to assign and measure work performance. That which is measured improves and PF&R is currently without any IT systems for this: it needs such a system to improve service, efficiency, responsiveness to Council and customers.

<i>Cost:</i>	<i>Nil – within current approved operating budget</i>
<i>Savings:</i>	<i>TBD – staff time savings as such tools will facilitate more rapid and responsive decision making and planning</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Low – The capital budget for the IT system has been approved and the Division has the strategy in place. There is no additional cost to implement the system. The “on-hold” status for the project should be lifted and implemented. This strategy and tool represents the biggest opportunity to assist PF&R increase efficiency and measure outputs/outcomes.</i>

RECOMMENDATION 19 – Improving service efficiency (“to do more with the same”) could be achieved by changing service standards for select parks maintenance; for example, switching from natural to artificial turf (where appropriate for sport fields). PF&R staff will need to collect the necessary information from recommendation #18 above then assess the feasibility of the most appropriate candidate sites. Service efficiencies could also be achieved by applying water conservation strategies (as noted in Calgary), as well as reduction in amounts of fertilizer applied, and energy conservation.

<i>Cost:</i>	<i>Minimal</i>
<i>Savings:</i>	<i>TBD</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2014</i>
<i>Risk:</i>	<p><i>Low - Medium. The level of risk will depend on the perceived (in public view) compromise in quality of the service associated with changed standard. In order to minimize risk, clear messaging should be delivered to the public that this strategy is not only aimed at “doing more with the same” but will also achieve efficiencies and lead to improved service quality.</i></p> <p><i>PF&R staff did complete a comparative analysis of the lifecycle costs between artificial and natural turf whereby the costs were similar (i.e. no significant cost competitive advantage). However, where appropriate (e.g. some soccer fields) artificial turf can accommodate people faster (i.e. allow users to get on and off the field faster), can extend the season and serve more users. Hence it is worthwhile to further examine the opportunities related to artificial turf.</i></p>

RECOMMENDATION 20 – Examine the feasibility of merging the Design group in the Parks unit to foster collaboration and enhance communication as a means of establishing greater efficiencies. There are opportunities to strengthen the coordination of the planning function with PF&R and revisit the organizational placement of additional planning resources to further establish efficiencies.

<i>Cost:</i>	<i>1 FTE – approximately \$72,500</i>
<i>Savings:</i>	<i>1 FTE worth of time efficiencies spread across various staff – approximately \$72,500 which covers the cost</i>
<i>Priority:</i>	<i>High. Improved coordination of planning will lead to greater responsiveness for emerging issues as well and articulate/mitigate longer terms costs/consequences to less than effective planning collaborative efforts.</i>
<i>Timing:</i>	<i>2012 and on-going</i>
<i>Risk:</i>	<i>Low. Many staff will find transition as a result of change difficult over the short term, however, will come to see the value and need for the change in the longer term.</i>

RECOMMENDATION 21 - Hiring process for parks maintenance does not respond promptly to the needs of the Parks Branch. It is recognized some of the hiring processes are a reflection of the collective agreement, however there are opportunities for corporate HR to enhance the process supported by IT systems that can generate staffing needs/priorities/gaps/performance. Directors should be able to authorize acting roles to simplify the process.

<i>Cost:</i>	<i>None</i>
<i>Savings:</i>	<i>2 FTEs worth of time efficiencies spread across various staff – approximately \$150,000</i>
<i>Priority:</i>	<i>High - To ensure the City is being responsive to its needs as well as contain staffing costs.</i>
<i>Timing:</i>	<i>2012 and on-going</i>

Risk:	<i>Medium – will be dependent upon input from corporate HR, LR and Legal Services as this could result in a significant organizational shift across the corporation (i.e. - if PF&R can do it why can't we").</i>
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RECOMMENDATION 22 – Speciality waterfront parks maintenance could be contracted out due to its relatively compact geographic location, and highly specialized and labour intensive nature. Examples include Sugar Beach, Sherbourne Commons, etc. – they have higher costs due to more individual technologies (i.e. no economies of scale). Parks such as Kew Gardens and Toronto Islands should not be contracted out. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

Cost:	<i>TBD (possible costs related to redeployment)</i>
Savings:	<i>Estimated to be approximately \$400,000 – exact data were not available that articulated the existing labour costs for specific locations and therefore only an estimate on contracting out can be provided.</i>
Priority:	<i>High. In contrast to sites in other districts, waterfront is much more compact and requires specialized and oftentimes costly high-maintenance services. These factors make it advantageous for both the City (from a cost saving perspective) and private sector (from operational perspective) to contract out waterfront maintenance.</i>
Timing:	<i>2012 – feasibility and preparation of RFP. 2013 award RFP</i>
Risk:	<i>Medium. Due to its locational prominence and popularity among all city residents, waterfront is an area where any service inefficiencies or reduction in maintenance standards will be quickly identified. There will be a need to ensure PF&R staff involved in oversight of private contractors have the necessary contract management skills.</i>

RECOMMENDATION 23 – Maintenance of small downtown parkettes can also be contracted out due to high labour costs associated with required travel time. PF&R senior staff should identify a series of such parkettes that could be put out to tender for parks maintenance. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

Cost:	<i>TBD (possible costs related to redeployment)</i>
Savings:	<i>Estimated to be approximately \$1,000,000 – exact data were not available that articulated the existing labour costs for specific locations and therefore only an estimate on contracting out can be provided.</i>
Priority:	<i>Medium</i>
Timing:	<i>2012 – feasibility and preparation of RFP. 2013 award RFP</i>
Risk:	<i>Low - There will be a need to ensure PF&R staff involved in oversight of private contractors have the necessary contract management skills.</i>

RECOMMENDATION 24 – Cleaning of public washrooms (in parks) is a workload driver that could be contracted out. PF&R staff should examine the feasibility of issuing a Vendor of Record to a series of contractors for less cost than the current service delivery model. The extent to the potential cost savings could not be identified since the Division does not capture data by operational function for parks maintenance. This could be completed as a pilot for select locations for a three year period to more accurately assess and compare costs and standards prior to larger roll out.

Cost:	<i>TBD (possible costs related to redeployment)</i>
Savings:	<i>Estimated to be approximately \$250,000 – exact data were not available that articulated the existing labour costs for specific locations and therefore only an estimate on contracting out can be provided.</i>
Priority:	<i>Medium. Feasibility of contracting out should be determined on the case-to-case basis (within each district) and based on cost savings and ability of contractors to keep maintenance standards.</i>
Timing:	<i>2012 – feasibility and preparation of RFP. 2013 award RFP</i>
Risk:	<i>Low – Medium. The risk of public complaints regarding lack of maintenance will depend on the location of the washrooms and the frequency of their use (i.e. in popular parks and along the waterfront or in remote parks and trails). There will be a need to ensure PF&R staff involved in oversight of private contractors have the necessary contract management skills.</i>

RECOMMENDATION 25 - Move Forward with RSP Planning Process. PF&R should be encouraged to focus renewed energies on moving forward with subsequent stages of the RSP planning process and to do so in a timely manner. A formal planning research methodology and process should be used to guide all planning activities including the documentation of analyses and recommendations. It is essential that adequate and appropriate resources are provided to support this planning activity to ensure its successful completion in the shortest amount of time possible.

Cost:	<i>TBD – could possibly be completed within current program funding or may require additional support.</i>
Savings:	<i>N/A</i>
Priority:	<i>High – the completion of the SP is key in establishing the renewed focus and purpose of recreation planning for Toronto</i>
Timing:	<i>2012</i>
Risk:	<i>None</i>

RECOMMENDATION 26 – Development of a comprehensive database of qualitative and quantitative information. PF&R should establish research methodologies and processes to develop a comprehensive data base of both quantitative and qualitative information concerning the recreation service delivery context.

<i>Cost:</i>	<i>\$100,000</i>
<i>Savings:</i>	<i>TBD – depending on the level of programming and services offered after such an assessment – could be significant</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012 - 2014</i>
<i>Risk:</i>	<i>Low – ensuring the staff involved have the time, tools, knowledge and expertise to ensure the project is completed in a timely manner to empower PF&R to greater excel at program and service delivery to meet the community needs.</i>

RECOMMENDATION 27 – Establish Divisional Roles and Responsibilities. PF&R should establish specific Divisional roles and responsibilities in the areas of *community development and facilitation* and establish a more formal relationship (co-ordination, communication, information sharing, collaboration, priority setting , etc.) with other City Divisions involved in aspects of community development and facilitation, particularly Social Development, Finance and Administration.

<i>Cost:</i>	<i>Minimal</i>
<i>Savings:</i>	<i>TBD</i>
<i>Priority:</i>	<i>Medium – establishes synergies and potentially enables centres of excellence related to community development and facilitation.</i>
<i>Timing:</i>	<i>2012 - 2013</i>
<i>Risk:</i>	<i>Low</i>

RECOMMENDATION 28 – Develop a strategy on alternative service delivery models. Based upon the provisions of the RSP and associated service planning, PF&R should develop a strategy associated with potential alternative service delivery models. As part of this process PF&R should establish a policy framework that includes a set of minimum standards, guidelines, and criteria to guide the evaluation and assessment of potential opportunities for alternative service delivery approaches in the delivery of recreation programs, activities, and services.

<i>Cost:</i>	<i>None</i>
<i>Savings:</i>	<i>Development of strategy will assist in identifying alternative service delivery options that will result in savings – which cannot be determined at this time.</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012</i>
<i>Risk:</i>	<i>Low – there is little risk in developing the strategy, however risks will increase with any aspect of alternative service delivery pertaining to HR and LR.</i>

RECOMMENDATION 29 - Develop Business Performance Measures. PF&R should develop a set of business performance measures that are specifically aligned to elements of the directional framework and the business plan and reflect an understanding of the specific metrics which are meaningful in the planning and delivery of recreation services with a specific emphasis on the identification of “the cost of service” metrics.

<i>Cost:</i>	<i>Nil – completed internally by staff within approved budget funding</i>
<i>Savings:</i>	<i>N/A</i>
<i>Priority:</i>	<i>Medium</i>
<i>Timing:</i>	<i>2012 – development of measures so data can be collected in 2013 and reported on later in 2013 and beyond</i>
<i>Risk:</i>	<i>None</i>

RECOMMENDATION 30 - Develop and document a Comprehensive Report on the Status of Current Facilities. The development of a comprehensive report on the status of the current municipal indoor recreation facilities including community centre assets will support the subsequent preparation of a Recreation Facilities Master Plan and it will also prepare a valuable tool for the Division to use immediately to inform decision making and the assessment of options and alternatives associated with all aspects of the provision, management and operation of municipal community centre facilities.

<i>Cost:</i>	<i>\$200,000 (Estimated cost- could increase based on the terms and the extent of the review of facilities)</i>
<i>Savings:</i>	<i>TBD – Opportunities for savings related to subsequent activities following completion of the report.</i>
<i>Priority:</i>	<i>High</i>
<i>Timing:</i>	<i>2012 - 2013</i>
<i>Risk:</i>	<i>Some risk could arise depending on the recommendations from the review of facilities, particularly if the review identifies need to consolidate some facilities. It is our understanding that the CMO will be undertaking a complete review and inventory of all “leisure service” type facilities to identify synergies and efficiencies (e.g. library branches, community centres, recreation facilities, arenas, etc.)</i>

RECOMMENDATION 31 - Development of a 20 year Recreation Facilities Master Plan. Once the development of a comprehensive report on the status of current municipal indoor recreation facilities has been completed, PF&R should focus attention on the preparation of a Recreation Facilities Master Plan.

The first step should be the preparation of a detailed work plan that identifies: the scope of the plan, the key issues, service planning and provision issues that need to be addressed, how the Plan will be documented and the ways in which the data is to be collected, the analysis activities will be formatted for subsequent use in additional planning activities within PF&R, other municipal divisions that should be consulted in the preparation of the Plan, the steps in the planning process including research methodologies to be utilized based on a specified

description of level of detail. This should also include an assessment of the requirement for assistance from an outside expert/consultant to assist in the preparation of the Plan.

Cost:	<i>\$150,000 - \$200,000 (if completed by external consultants)</i>
Savings:	<i>TBD – Opportunities for savings related to subsequent activities following completion of the report – specifically as they relate to the breadth, depth and level of recreation programming provision – and possible alternative service delivery options.</i>
Priority:	<i>High – Completion of the Master Plan will help outline subsequent strategies to identify alternative service delivery options</i>
Timing:	<i>2012 - 2013</i>
Risk:	<i>None – All large municipalities complete recreation master plan to focus and guide such municipal operations to ensure they are meeting the needs, expectations and wants of residents.</i>

RECOMMENDATION 32 – PF&R should examine the contracting-out of Maintenance and Cleaning of Community Centre and Recreation Facilities. Currently, PF&R has a mixed service delivery model as it relates to the cleaning and maintenance of community centres and recreation facilities. The majority of the City recreation facilities are cleaned and maintained by city staff. The main exceptions are the facilities in Scarborough which contracted out the cleaning of facilities prior to amalgamation.

The analysis suggests that a similar alternative service delivery model of contracting out of facilities cleaning and maintenance be considered for other areas of the City, if not all.

Cost:	<i>TBD (possible costs related to redeployment)</i>
Savings:	<i>Estimated to be approximately \$1,000,000 – exact data were not available that articulated the existing labour costs for specific locations and therefore only an estimate on contracting out can be provided.</i>
Priority:	<i>Medium - efficiencies in time are realized as supervisors and management are spending less time overseeing cleaning staff and any of the resulting HR and LR issues.</i>
Timing:	<i>2012 – feasibility and preparation of RFP. 2013 award RFP</i>
Risk:	<p><i>Low - There will be a need to ensure PF&R staff involved in oversight of private contractors have the necessary contract management skills. PF&R does not currently collect data to clearly demonstrate cost/benefit of such a model. Regardless, if management and supervisor time is reduced (i.e. streamlined) by not dealing with LR and HR issues; this is an important efficiency. Such data should be collected and the feasibility confirmed in the short term.</i></p> <p><i>The Corporate Facilities and Real Estate Division can provide similar services and they may question the need to contracting out if they can provide the service to PF&R. However, CFRE's costing model (i.e. full cost recovery) using unionized City employees for many assignments is not cost competitive with the private sector. To best manage costs, PF&R should have the flexibility to further examine alternative service</i></p>

	<i>delivery models – whether they are private or CFRE so long as it maintains or exceeds the same standards of cleanliness, maintenance or services. This flexibility will facilitate efficiencies and the Division’s ability to adapt and respond quickly to the needs and changing demands of Toronto.</i>
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5.2 SUMMARY OF COSTS AND SAVINGS/REVENUE GENERATION

If all of the DPRA consulting team recommendations are fully implemented, the conservative net savings are estimated to be approximately \$300,000 for 2013 and an additional net saving of \$ 2,500,000 beyond 2013), for a total net savings of \$2,800,000 (2013 and beyond).

The following are the estimated costs and potential savings/revenue generation estimates for the DPRA consulting team’s recommendations for 2013 only.

Summary of Costs and Savings 2013	
Cost:	\$555,000 (\$550,000 operating and \$5,000 capital)
Savings:	\$820,000 to \$910,000
Net	\$265,000 to \$355,000

The following are the estimated costs and potential savings/revenue generation estimates for the DPRA consulting team’s recommendations beyond 2013.

Summary of Costs and Savings beyond 2013	
Cost:	\$150,000
Savings:	\$2,665,000
Net:	\$2,515,000

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Appendix B: Comparable Municipal/Public Sector Ski Hill Operations

Mount Chinguacousy

Mount Chinguacousy is owned and operated by the City of Brampton. The facility operates from December 19 to the end of March Break each year, weather permitting. The facility's operating hours vary (Table 8). During the week of Christmas the facility operates at different times each day of the week.

Table 11: Mt. Chinguacousy Operating Hours

Period	Operating Hours	Days
January to March	5:30am – 9:30pm 9:00am – 6:00pm	Monday to Friday Saturday to Sunday
Family Day and Winter Festival	11:00am – 5:00pm	-
March Break	9:30am – 8:00pm	Daily

The facility includes 2 slopes, a snow tubing park, 1 lift, and one chalet (with pro shop and snack bar). The Centre offers downhill skiing, snowboarding, snowblading, and snow tubing, as well as instructional programs for downhill skiing and snowboarding. Lessons are provided to all age groups and skill levels. Private lessons are also provided. The Centre also offers group rentals and birthday parties, which include use of a separate room within the chalet.

The fees to participate at the Centre vary based on the type of activity, and/or the age of the participant, and/or the length of the visit. Fees for lift tickets range from \$13.20 per hour to \$23.15 per day. Fees for equipment rental range depending on the type of activity:

- Skiing \$13.20 per hour to \$23.50 per day;
- Snowblading \$11.85 per hour to \$20.45 per day; and
- Snowboarding \$18.85 per hour to \$28.00 per day.

Fees for snow tubing range depending on the number of rides:

- \$12.10 for 6 rides;
- \$19.35 for 12 rides; and
- \$25.85 for 18 rides.

Fees for group ski and snowboarding lessons, which run for 8 weeks, range depending on the type of activity (skiing versus snowboarding), and the age of the participant, between:

- \$117.90 to \$131.30 for children, youth, teens and seniors, including lift tickets but not equipment rentals; and
- \$131.30 and \$157.90 for adults, including lift tickets but not equipment rentals.

Use and financial performance data was not available for review.

Glen Eden

The Glen Eden Ski and Snowboard Centre is owned and operated by Conservation Halton. The Centre operates from December 17 to the end of March Break each year, weather permitting.

The Centre operates from 8:30 am to 10:00 p.m. (the lifts close at 9:30 and food and beverage service ends at 9:00 pm).

The facility includes 12 slopes, 2 terrain parks, a snow tubing park, 5 lifts, and three buildings including a chalet (with pro shop), learning centre and lodge. The three buildings each contain a ticket counter and food and beverage service. The chalet and day lodge operate throughout the Centre's operating hours, and the learning centre operates during peak periods (evenings and weekends).

The Centre offers downhill skiing, snowboarding and snow tubing, as well as instructional programs for downhill skiing and snowboarding. Lessons are provided to all age groups and skill levels. Private lessons are also provided. The Centre also offers group rentals and birthday parties, which include use of a separate room within the chalet. The fee for birthday parties is \$275 for up to 12 participants, and includes pizza, juice, cupcakes and online invitations.

The fees to participate at the Centre vary based on the type of activity, the time of day, the day of week, and the age of the participant. Fees for lift tickets range, depending on the day of the week and time of day, between:

- \$20 and \$36 for adults (18-64 years of age);
- \$20 and \$31 for "juniors" (6-12 years of age), "teens" (13-17 years of age), and seniors (65+ years of age); and
- \$6 and \$7 for "5 and under".

Fees for equipment rentals (not including helmets) range, depending on the day of the week and time of day, between:

- \$26 and \$31 for "adults" (18-64 years of age);
- \$24 and \$28 for "juniors" (6-12 years of age), "teens" (13-17 years of age), and "seniors" (65+ years of age); and
- \$17 and \$19 for "5 and under".

Fees for snow tubing also range depending on the number of rides:

- \$4 per ride for up to 4 rides;
- \$18 for 5 rides; and
- \$20 for 6 rides.

Fees for group ski and snowboarding lessons, which run for 8 weeks, range depending on the type of activity (skiing versus snowboarding), the day of the week and time of day, and the age group of the participant between:

- \$29.95 and \$59.95 for "5 and under", "juniors" (6-12 years of age), "teens" (13-17 years of age), and seniors (65+ years of age), not including lift tickets and equipment rentals; and
- \$213 and \$289 for "adults" (18-64 years of age), not including lift tickets and equipment rentals.

Fees for private lessons range depending on the number of hours:

- \$69.95 for 1 hour, not including lift tickets and equipment rentals;
- \$83.95 for 1 hour, not including lift tickets and equipment rentals; and
- \$129.95 for 2 hours, not including lift tickets and equipment rentals.

Fees for groups and schools range depending on the type of activity, the number of hours, the day of the week and time of day, the need for instructors or supervisors, and the need for equipment.

Use and financial performance data was not available for review.

Appendix C: Community Development Experiences in Other Canadian Municipalities

Victoria, BC

The majority of indoor recreation programs in Victoria have always been provided by community organizations. A number of volunteer based community organizations (some of which are registered charities) lease indoor community centres (seven) and seniors centres (three) owned by the Municipality and provide a wide range of recreational and cultural programs geared to the residents in their neighbourhoods.

The majority of outdoor recreation programs in Victoria BC also have always been provided by community groups (e.g. minor soccer, minor ball, etc.). These groups rent time at municipally owned and maintained outdoor sports facilities such as soccer fields and ball diamonds, at which they provide their programs in an arrangement similar to hundreds of communities across the country.

The following summary focuses on the community organizations that lease community centres and provide the majority of indoor recreation and culture programs.

Composition of the Community Organizations

Each of the community organizations providing indoor recreation programs have an elected Board of Directors comprised of volunteers, an Executive Director and a number of paid staff and volunteers, whose job descriptions and numbers vary based on the number and types of recreation programs provided by the organization.

Authority/Documented Agreements

Some community centres operated by community organizations are located within or attached to schools. These organizations typically provide a core range of recreation programs as well as recreation programs specific to the students of the school (e.g. after school programs). In these instances the community organization and the Municipality have individual formal documented agreements with the School Board regarding roles and responsibilities of each party to the agreement.

Services Provided by Community Organizations

The community organizations provide a wide range of recreation and cultural programs to each neighbourhood within the City. Although the formal documented agreement between the Municipality and the organizations provides an outline of the types of programs to be provided, the stipulations are worded such that the organizations have the ability to provide programs specific to the requirements of the local residents (e.g. organizations can provide programs geared to social development if required, as well as 'traditional' recreation activities).

Accountability

Each community organization is required to use an electronic participant registration and data system stipulated by the Municipality (i.e. Class). Each year the organizations are required to provide performance measures to the Municipality, and the Municipality is also able to monitor registration at any time through the data software the community organizations use.

The Municipality's Role in Recreation and Culture Programming – Direct Provision

The Municipality's Parks, Recreation and Culture Department provides a small proportion of the recreation programming in the City, primarily in one of the Municipality's oldest recreation centres where aquatics and indoor ice related programs are provided.

The Department monitors recreation and culture requirements in the community and if a need is identified for a new or additional program, the Department works with the community organizations to facilitate the provision of the new and/or additional program by the organizations.

The Municipality's Role in Recreation and Culture Programming – Community Development

The Community Recreation Coordinator position within the Parks, Recreation and Culture Department is responsible for supporting community organizations in their provision of recreation and culture programs. This position coordinates the provision of quarterly workshops to which representatives of each community organization attend to discuss issues and opportunities related to program provision. The Community Recreation Coordinator provides guest speakers at the quarterly workshops to provide the organizations the opportunity for skill development; the topics are based on requests from the organizations, or issues identified by the Community Recreation Coordinator. The Community Recreation Coordinator is a day-to-day contact for the organizations for assistance and also visits the community organization's facilities as often as possible. This staff position also acts as a liaison between the organizations and the Municipal departments responsible for major repairs to the community centres.

The Municipality provides operating and capital grants to the community organizations on a yearly basis. However, the amount of the grants is minimal, as the organizations are expected to seek other methods of funding.

Niagara Falls, ON

The majority of indoor and outdoor recreation programs in Niagara Falls have always been provided by community organizations. The majority of volunteer based community organizations (some of which are registered charities such as the YMCA of Niagara and the Boys and Girls Clubs of Niagara) either rent or lease space in municipally owned indoor and outdoor recreation facilities owned by the Municipality, such as community centres and sports fields, ball diamonds, etc. at which they provide their programs. Organizations such as the YMCA and Boys and Girls Club also own and operate their own facilities within the community.

Composition of the Community Organizations

Each of the community organizations providing recreation programs have an elected Board of Directors comprised of volunteers, an Executive Director and a number of paid staff and/or unpaid volunteers, whose job descriptions and numbers vary based on the number and types of recreation programs provided by the organization.

Authority/Documented Agreements

The Municipality has formal documented agreements with some community organizations with which they have developed facilities, which identifies the roles and responsibilities of all parties with regard to the operation of the facilities. Two examples include the McBain Community Centre and the proposed indoor soccer centre:

- The McBain Community Centre developed in 2003/04 was the result of a partnership between the City of Niagara Falls, the Niagara Falls Library Board, and the Niagara YMCA. The facility contains a YMCA health, fitness and recreation centre, a library, the Municipality's recreation administrative offices and a number of multi-purpose rooms utilized by community groups to provide a range of recreation and culture programs.
- A volunteer based soccer club and the Municipality have recently entered into an agreement whereby the soccer club will develop and operate an indoor soccer facility, providing recreational, instructional and competitive soccer to residents of all ages, and the Municipality will contribute half the cost of the development of the facility.

Services Provided by Community Organizations

The community organizations provide a wide range of recreation and cultural programs on a city-wide basis.

Accountability

Community organizations that receive capital or operating grants from the Municipality are required to submit an annual report describing their performance measures, results and financial data. A municipal representative indicated that the Municipality is considering for the future, requiring all organizations that receive any type of assistance from the Municipality to submit an annual report.

The Municipality's Role in Recreation and Culture Programming – Direct Provision

The Municipality's Recreation and Culture Department's only role in direct provision of programs occurs at the City's seniors centre. The Municipality provides all of the programming within that facility.

The Department monitors recreation and culture requirements in the community and if a need is identified for a new or additional program, the Department works with the community organizations to facilitate the provision of the new and/or additional program by the organizations.

The Municipality's Role in Recreation and Culture Programming – Community Development

The Community Development Coordinator position within the Recreation and Culture Department is responsible for supporting community organizations in their provision of recreation and culture programs. The Community Development Coordinator is the day-to-day contact for the organizations for assistance. This staff position holds annual facility time allocation meetings with representatives of each of the organizations to allocate facility time, as

well as to discuss any issues. This staff position also acts as a liaison between the organizations and the Municipal departments responsible for the day to day operation of municipal recreation and culture facilities.

The Municipality also has a Recreation Committee, which is a committee of council. The Committee is comprised of 13 members (12 residents appointed by Council and 1 elected official, also appointed by Council). The role of the Committee is to meet with the individual organizations providing recreation and culture programs as required to discuss issues and opportunities related to program provision, and to provide support to the organizations through various methods such as providing funding for skill development workshops, identifying grant opportunities, and providing assistance with grant applications.

The Municipality provides operating and capital grants to the community organizations on a yearly basis.

London, ON

The delivery of recreation and culture programs in the City of London has evolved from direct municipal provision with some provision by large charitable organizations such as the YMCA and Boys and Girls Club, to limited municipal programming and the majority of programs provided by community organizations and the private sector.

A number of years ago the Municipality faced a series of challenges from the private sector in terms of unfair competition. Private sector tennis and golf program providers requested that the Municipality cease providing programs provided by the private sector. Since that time, the Municipality has been divesting its recreation and culture programs as the private sector and community organizations began to provide them.

The majority of recreation and culture programs in the City are now provided by the private sector and volunteer based community organizations (some of which are registered charities such as the YMCA and the Boys and Girls Club).

The Municipality is approached on a regular basis by businesses and individuals willing to provide recreation and culture programming. If the need for the program is demonstrated, the Municipality will consider the request and either temporarily hire the business or individual to provide the programs and/or refer residents to these new service providers.

Most of the recreation and culture programs provided by the private sector occur within private sector facilities. However the Municipality has a few Purchase of Service Agreements with the private sector whereby businesses provide programs on behalf of the Municipality within municipal facilities.

Most community organizations rent space within municipal facilities to provide recreation and culture programs. There are a number of volunteer based community organizations (approximately eight) that use the majority of time available in specific municipal community

centres to provide a wide variety of recreation and culture programs to specific neighbourhoods. The facility time is provided to these organizations free of charge in return for their provision of recreation programs. The Municipality rents the community centre during the time periods they are not being used by the community organizations in order to generate revenue.

Organizations such as the YMCA and Boys and Girls Club own and operate their own facilities within the City.

Authority/Documented Agreements

The community organizations that are provided with free access to community centres for the purposes of providing recreation and culture programs sign an agreement with the Municipality each year that outlines the amount of facility time they are allocated, and stipulates that their programs must be accessible, instructors must be qualified, etc.

Services Provided by Community Organizations

The community organizations and private sector provide a wide range of recreation and cultural programs on a city-wide and neighbourhood basis.

Accountability

Community organizations that are provided with free access to community centres and private sector businesses that provide recreation and culture programs on behalf of the Municipality are required to submit the number of participants in their programs to the Municipality.

The Municipality's Role in Recreation and Culture Programming – Direct Provision

Currently, the Municipality still provides a number of recreation and programs; however they are, for the most part, introductory level programs or programs not currently provided by the private sector or community organizations. One of the City's main goals is to provide introductory level programs to introduce residents to recreation and culture (and the "benefits of recreation"). Residents wishing to continue on in their chosen activity or develop their skill levels further are directed to private sector providers or community organizations.

The Municipality's Role in Recreation and Culture Programming – Community Development

The Community Service Department has a number of Community Development staff positions responsible for supporting community organizations in their provision of recreation and culture programs. These staff positions are day-to-day contacts for the organizations. These staff positions monitor the community organizations and provide assistance as required (e.g. training, photocopying of promotional materials, design of forms, etc.).

The Municipality does not provide grants to community organizations.

Cambridge, ON

The majority of recreation and culture programs in Cambridge have always been provided by the Municipality and volunteer based community organizations (some of which are registered charities), such as minor sports and the YMCA. There are also a number of “neighbourhood associations” in the City that provide programs and services at the neighbourhood level, on behalf of the Municipality. The neighbourhood associations provide recreation programs in low income and at risk areas within the City and rent space in housing units in townhouse complexes, churches, schools, and arena meeting rooms. The following summary focuses on these neighbourhood associations. The City has a specific municipal policy entitled “Support Services to Neighbourhood Associations” describing the level of support provided to neighbourhood associations.

Composition of the Neighbourhood Associations

The Municipality recognizes three types of neighbourhood associations as follows:

- (i) Volunteer Based Recreation Model - This type of neighbourhood association is primarily operated by volunteers, with support from a municipal staff position (Recreation Co-coordinator). Within this category, groups operate at two distinct levels:
 - A group may provide summer playground programs with the assistance of playground leaders employed by the Municipality
 - A group may also evolve to operate a playground program and year-round programming, with the assistance of volunteers and/or paid instructors.

This type of neighbourhood association must establish a formal committee/board as well as conduct the following tasks:

- Record minutes of meetings
- Establish a bank account
- Establish operating policies and/or a constitution
- Define the geographic boundaries of their service area

(ii) Volunteer/Staff Based Recreation Model - This type of neighbourhood association relies heavily on volunteers, as is supported by a community recreation worker, which is funded by the Municipality. The association has some form of community centre for which the group is responsible, and acts as a focal point for association clients.

This type of neighbourhood association must establish a formal committee/board as well as conduct the following tasks:

- Record minutes of meetings
- Establish a bank account
- Establish operating policies and/or a constitution

- Define the geographic boundaries of their service area
- Establish a facility partnership with the appropriate organization
- Incorporate the association

(iii) Volunteer/Staff/Blended Model - This type of neighbourhood association model involves the association independently employing staff and operating/maintaining a community centre to meet both recreational and social needs of clients. This model plan, organizes, coordinates, and offers a range of services that may include recreation programs, social programs, employment, education and health services for a variety of populations. Volunteers are integral to the association. Municipal staff act as a liaison/resource in this model. Programs and services vary according to the needs of their neighbourhood.

This type of neighbourhood association must establish a formal committee/board as well as conduct the following tasks:

- ❖ Record minutes of meetings
- ❖ Establish a bank account
- ❖ Establish operating policies and/or a constitution
- ❖ Define the geographic boundaries of their service area
- ❖ Establish a facility partnership with the appropriate organization
- ❖ Incorporate the association
- ❖ Employ more than 1 staff person
- ❖ Hire summer staff independently
- ❖ Provide a comprehensive range of services
- ❖ Be formally accountable to funders

Authority/Documented Agreements

There are no formal documented agreements between the Municipality and the neighbourhood associations.

Services Provided by Community Organizations

The neighbourhood associations provide a wide range of programs depending on their level of sophistication and the needs of their neighbourhood. Some associations provide only playground programs during the summer, while others provide a comprehensive range of recreation, social and health programs and services.

Accountability

Each neighbourhood association is required to provide an annual report to the City, containing audited financial statements and performance measures.

The Municipality's Role in Recreation and Culture Programming – Direct Provision

The Municipality's Parks, Recreation and Culture Department directly provide a wide range of recreation programming.

The Municipality's Role in Recreation and Culture Programming – Community Development

The Municipality provides a wide range of support to the neighbourhood associations, and the level of support varies based on the type of association. The following summarizes the support provided:

(i) Volunteer Based Recreation Model

- Community use of school fees (for youth programming)
- Playground Leaders (2 per association; additional leaders considered with growth)
- Training and 28 hours preparation time for playgrounds
- \$1,000/year for administration (year-round programs only)
- 1 page advertising in activities guide
- Duplication services for summer flyers/newsletters
- T-shirts/equipment
- Liability Insurance
- Storage Space
- Training for Committees/Boards
- Max. \$2,000 per year for leaders of teen/youth programs
- C.S.D. staff consultation through Recreation Co-ordinator

(ii) Volunteer/Staffed-Based Model

- Community use of school fees (for youth programming)
- Playground leaders (2 per association; additional leaders considered with growth)
- Training for playgrounds
- \$6,000/year for Administration
- 1 page advertising in Activities Guide
- Liability Insurance if eligible
- C.S.D. Staff Liaison
- Community Recreation Worker (\$36,000)
- Across the board inflationary increase (3%)
- \$5,000 per year for drop-in youth programming

(iii) Blended Model

- Community use of school fees (for youth programming)
- Playground leaders (2 per association; additional leaders considered with growth)
- Training for playgrounds
- \$6,000/year for Administration
- 1 page advertising in activities guide
- Liability Insurance if eligible
- C.S.D. Staff Liaison
- Community Recreation Worker (\$36,000)
- Supervisory contract for Community Recreation Worker (\$6,000)

- Across the board inflationary increase (3%)
- \$5,000 per year for drop-in youth programming

Halifax, NS

In 1995 four separate municipalities were amalgamated into Halifax Regional Municipality. Each of the former municipalities had a separate method of delivering recreation programs and the current Municipality is still in the process of harmonizing services. The Municipality still directly provides the majority of recreation programs in the area of the former City of Halifax, but only facilitates the provision of recreation programs in the areas comprised of the other three former municipalities. As a result, there are approximately 39 community organizations providing recreation programs in municipally owned facilities throughout the Regional Municipality.

The community organizations providing recreation programs in municipally owned facilities have been divided into four categories by the Municipality:

- Level 1 - Organizations that provide recreation and social programs in relatively small community centres (20,000 sq. ft. or less) that include old schools, community halls, old fire halls, etc.
- Level 2 – Organizations that operate and provide recreation programs in “multi-district” recreation centres which contain a mix of facilities such as indoor pools, arenas, fitness centres, gymnasiums, etc.
- Level 3 – Organizations that operate and provide recreation programs in single purpose recreation facilities such as pools and arenas.
- Level 4 – Organizations that operate performance/spectator venues such as arenas/concert halls.

The level of sophistication of the community boards and the level of municipal support they receive varies based on these “levels”, with level 1 receiving the most support and level 4 receiving the least, but having the most accountability to the Municipality.

Composition of the Community Organizations

The community organizations, regardless of their “level”, have an elected Board of Directors comprised of volunteers. The more sophisticated level 1 and 2 organizations, and all of the level 3 and 4 organizations have an Executive Director and a number of paid staff, whose job descriptions and numbers vary based on the number and types of recreation programs provided by the organization.

Authority/Documented Agreements

The Municipality enters into a formal documented agreement with each community organization, which identifies the roles and responsibilities of both parties, including a general

outline of the types of programs to be provided, as well as the terms and conditions of the facility lease. Organizations that operate multi-district facilities and performance/event venues also sign management agreements with the Municipality.

Services Provided by Community Organizations

The community organizations provide a wide range of recreation and cultural programs: level 1 and 3 organizations provide their services in specific neighbourhoods within the City, level 2 and 4 organizations provide their services city-wide. The formal documented agreement between the Municipality and the level 1 and 3 organizations allows the organizations to provide programs specific to the requirements of the local residents (e.g. organizations can provide programs geared to social development if required, as well as ‘traditional’ recreation activities).

Accountability

Each community organization is required to provide financial statements and performances measures, and the level of detail required from the organizations increases with their “level”.

The Municipality’s Role in Recreation and Culture Programming – Direct Provision

The Municipality’s Recreation, Tourism and Culture Department provides a large proportion of the recreation programming only in the area comprised of the former City of Halifax.

The Municipality’s Role in Recreation and Culture Programming – Community Development

The degree of municipal support given to each community organization varies based on their level. Level 1 and 3 organizations receive the most support from the Municipality in the form of annual grants (between \$5,000 to \$30,000 depending on the magnitude of services they provide), and a municipal staff person to function as their day to day contact, and who attends the organizations’ monthly meetings.

Level 2 and 4 organizations are provided with capital funding for major repairs as required, however they are responsible for 100% of their operational funding requirements. Municipal staff do not currently have much contact with these organizations other than annual meetings to review and sign the management and lease agreements. The Municipality is currently reviewing this approach and has proposed becoming “more involved” with these organizations.

Calgary, AB

The majority of indoor recreation programs in Calgary have always been provided by community organizations. These community organizations include registered charities such as the YMCA and the Boys and girls Club, which own and operate facilities in the City, as well as a number of volunteer based community organizations which lease indoor community centres owned by the Municipality and provide a wide range of recreational and cultural programs geared to the residents in their neighbourhoods. The following focuses on the organizations which lease indoor community centres owned by the Municipality.

Composition of the Community Organizations

The community organizations providing indoor recreation programs each have an elected Board of Directors comprised of volunteers. Some groups have paid staff, ranging from Recreation Leaders to Executive Directors and a number of paid staff and volunteers, whose job descriptions and numbers vary based on the number and types of recreation programs provided by the organization.

Authority/Documented Agreements

Community groups operating in municipal facilities sign a License of Occupation (LOC) in order to operate in municipal facilities. The LOC defines the term of the lease, allowed uses, responsibility for repairs and maintenance, insurance requirements, financial requirements, and conditions for termination of the LOC.

Services Provided by Community Organizations

The community organizations are allowed to provide a wide range of recreation and cultural programs specific to the needs of their individual community, as long as they adhere to the LOC.

Accountability

Each community organization is required to provide the following on an annual basis: financial statements, program evaluations, needs and preference identification, and a business plan.

The Municipality's Role in Recreation and Culture Programming – Direct Provision

The City may provide programming where gaps are identified (e.g. after school programs, programs for specific age groups such as seniors and youth, summer activities, and family events), or where there are no service providers in the area to meet the need.

The Municipality's Role in Recreation and Culture Programming – Community Development

The Municipality provides the organizations with a range of assistance as required in the form of grants, staff resources, skill development workshops, annual meetings, etc.