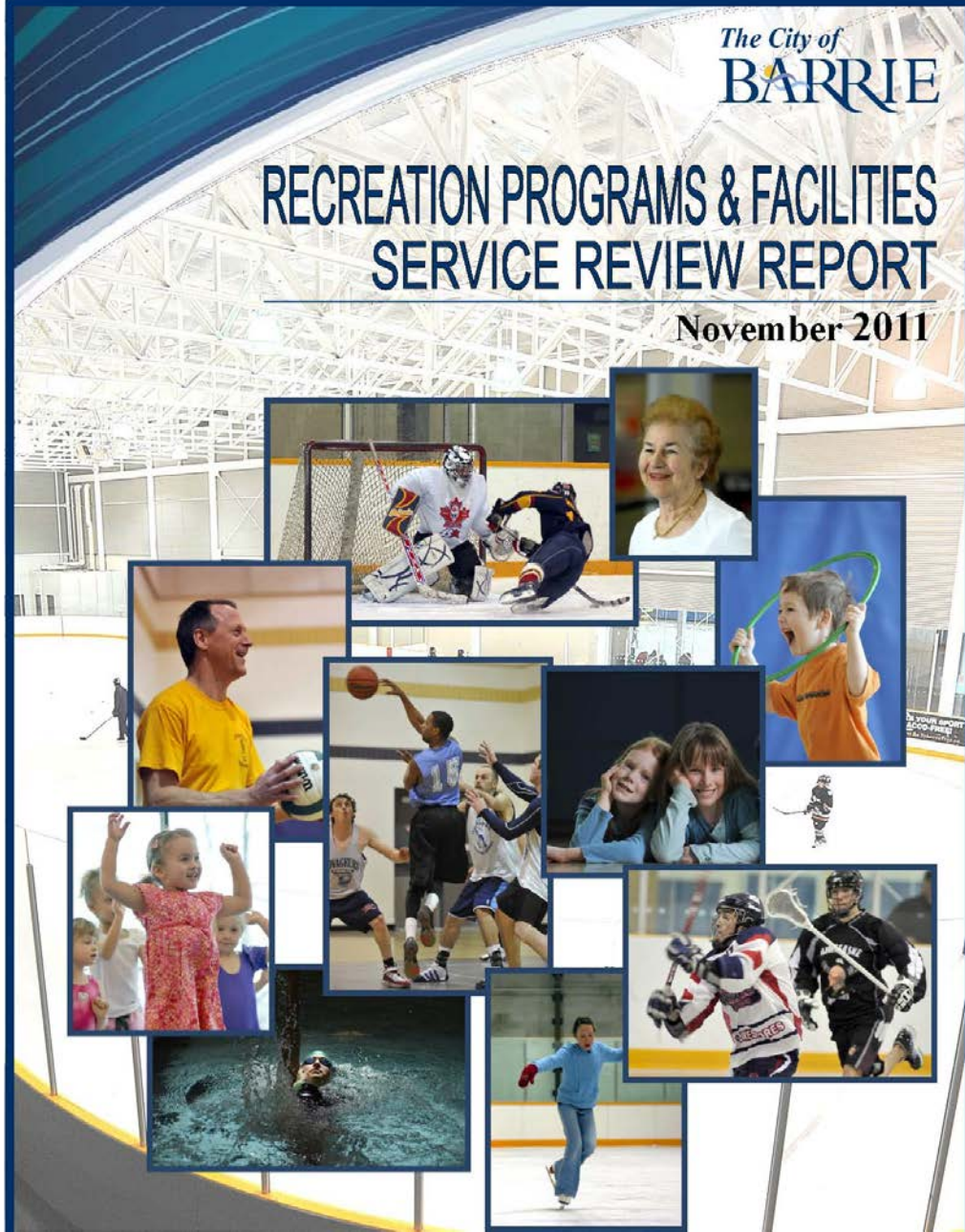


RECREATION PROGRAMS & FACILITIES SERVICE REVIEW REPORT

November 2011



Purpose of Information Matter & Staff Report

- Report Overview
 - Opportunity to Evaluate Recreation Service Delivery
 - Develop a Methodology to Align Services; Incorporate City's Vision, Mission, & Values; Recognize Community and Individual Benefits; Assess Costs; Apply Pricing Techniques to Drive Utilization & Reduce Net Operating Costs; Balance Need for Accessible, Affordable Recreation Services
- Purpose of Staff Report
 - Report on Service Review Findings & Recommendations
 - Seek Council's Support on the Concepts of Aligning Services, Setting Cost Recovery Targets & Implementing Business Tools to Increase Utilization of Recreation Services
 - Provide Update on Status of Actions to Date & Next Steps

Project Objectives & Steps

- 3 Key Objectives of Review
 - ✓ Determine Cost of Services
 - ✓ Develop Pricing Strategy
 - ✓ Identify Opportunities for Increased Utilization of Programs & Facilities to Reduce Net Operating Costs

- Process Steps
 - Review of Current Service
 - Review of Statistical & Comparator Information
 - Aligning Services with Vision, Mission & Values
 - Determining the Cost of Services
 - Developing Pricing Strategy including Purpose & Principles
 - Allocation of Cost Recovery Targets
 - Identification of Increased Utilization Opportunities
 - Conclusions
 - Recommendations with Implementation Timelines

2010 OMBI Results for Sports & Recreation

- Barrie recovers more costs through user fees than any of its OMBI comparators (SREC312) while having the third lowest operating cost per capita (SREC909M)
 - Barrie 52.6%
 - London 24.3%
 - Ottawa 22.9%
 - Sudbury 35.8%
 - Thunder Bay 30.8%
 - Windsor 34.9%
 - Median 30.8%
- Barrie has average utilization rates for its programs and facilities (SREC410, SREC110) while having the second lowest operating cost per participant (SREC310)
- Barrie has the second highest number of unique participants (SREC140) despite having pricing at the high end of the range

Aligning Services

- Recreation Program Product Mix ([Linked to Chart](#))
- Linked Vision, Mission & Values to Parks and Recreation Master Plan, Service Priorities, Community & Individual Benefits and Core Services, Resource Allocation & Pricing Strategy ([Linked to Chart](#))
- Implemented an Aligning Services Matrix as a Tool to Align Service with Rationale for Delivery ([Linked to Matrix](#))

Determining Service Costs

Methodology

- Step 1 – Identify Service Areas
- Step 2 – Identify Business Units within Service Areas
- Step 3 – Identify Relevant Costs
- Step 4 – Determine How to Allocate O/H Costs between Business Units within Service Areas

Tools Developed

- Service Costing Worksheet ([Link](#))
- Program Cost Calculator ([Link](#))
- Current Cost Recovery & Subsidy Summary ([Link](#))

Current Cost Recovery by Product Group

Product Group	Aquatics	Fitness	Day Camps	Sports	Skating	Dance	Preschool & Child	Youth Centres	55+ & Adults	Total
Program Cost Recovery •Direct Costs •Program Overheads •Minor Capital •Amortization	70%	94%	71%	48%	99%	99%	45%	2%	46%	68%
Program Subsidy	30%	6%	29%	52%	1%	1%	55%	98%	54%	32%
Program & Facility Combined Cost Recovery	36%	58%	64%	39%	30%	82%	41%	2%	39%	43%
Program & Facility Combined Subsidy	64%	42%	36%	61%	70%	18%	59%	98%	61%	57%

Cost Recovery Allocation Ladder

		COST RECOVERY ALLOCATION LADDER			
		Program Service Area:	Aquatics		
		Benefit Category:	Program Type:	% of Cost Recovery	% of Subsidy
Full Recovery	No Subsidy	Highly Individual	Private/Elite/Adv. Skill	100+	0
		<ul style="list-style-type: none"> *Private Lessons (Child/Adult) *Semi-private Lessons *H30 *Bronze Medallion *Bronze Cross *National Lifeguard *AED *Assistant Instructor & Lifesaving Instructor *Springboard Diving *Synchronized Swimming *S.W.I.M. (Stroke Improvement) 			
Partial Recovery	Some Subsidy	Mostly Individual	Specialized (Int. Skill)	75-100	0-25
		<ul style="list-style-type: none"> *Rookie Patrol *Ranger Patrol *Star Patrol *Bronze Star 			
		Individual/Community	General (Rec. Skill)	50-75	25-50
No Recovery	Full Subsidy	<ul style="list-style-type: none"> *Waterbabies *Kinderswim *Preschool Prep - 5 *Swimmer 1-6 *Family Group Lessons *Adult 1-3 			
		Community/Individual	Basic/Drop-In (Controlled access)	25-50	50-75
		<ul style="list-style-type: none"> *Public Swims 			
		Community	Public (Open Access)	0-25	75-100
		<ul style="list-style-type: none"> *Beaches *Splash Pads 			

Pricing Strategy Development

Purpose:

- ❑ To support the City's efforts to provide meaningful recreation opportunities to each of its citizens based on the core values of:
 - Access
 - Fairness
 - Value
 - Choice
 - Fiscal Responsibility
 - Transparency

Pricing Strategy Development

Principles:

- Use strategically to build participation in all programs
- Emphasis on flexibility & innovation
- Coordinate communication, programming & pricing to provide variety of options
- Support will be available for eligible applicants to access services
- Balance community need with cost of service delivery
- Cost will be calculated using a full cost recovery approach (excluding debt)
- Council endorsed cost recovery levels for each product group

Net Operational Savings Opportunities

Recreation Programs & Facilities Service Review Net Operational Savings Opportunities

SERVICE			OPPORTUNITIES			
PROGRAM SERVICE AREA	Gross Budget (2012)	Net Budget (2012)	Comments on Opportunity	Potential Savings/Revenues	Risks/Implications	Barriers
Facility Rentals – Dorian Parker Centre	\$60,000	\$40,000	Eliminate or lease out Dorian Parker Centre until such time as major capital. The facility is surplus to recreational needs for space.	\$40,000/yr operating costs \$1.7M in future capital expenditures	Low	Medium
Recreation Program – Maple Youth Centre	\$333,800	\$327,600	Eliminate service provision. Steady decline in annual participant visits and older client group than served through other City youth centres.	\$327,600	Low - Medium	Low - Medium
Recreation Programs – Victoria Village Activity Centre	\$784,900	\$700,400	Eliminate service provision or facilitate lease transfer to a compatible agency/organization. All recreation programming offered at this centre can be accommodated at other recreation centres for more effective use of current inventory. City would continue to make debt/interest payments (\$385,000) as obligated under Victoria Village Project until 2014.	\$316,100 (with debt payments of \$384,331 in 2012, 2013 & 2014) \$700,431 (without debt after 2014)	Low	Medium

Net Operational Savings Opportunities

Recreation Programs & Facilities Service Review Net Operational Savings Opportunities

SERVICE			OPPORTUNITIES			
PROGRAM SERVICE AREA	Gross Budget (2012)	Net Budget (2012)	Comments on Opportunity	Potential Savings/Revenues	Risks/Implications	Barriers
Recreation Program - Skating	(\$178,500)	(\$25,600)	Implement in partnership with Barrie Skating Club delivery of appropriate instructional skating programs for September 2012.	\$20,000 in additional revenues for ice rentals	Low - Medium	Low - Medium
Facility Rentals - Ice	n/a	\$2M	Implement differential pricing for non peak use times for ice rentals during weekdays 8am – 4pm effective September 2012. Can be expanded to include various types of rentals – gym, pool, meeting rooms	\$30,000 to \$40,000/yr additional revenues To be determined	Low	Low

**Recreation Programs & Facilities Service Review
Process Improvement Recommendations**

PROCESS IMPROVEMENTS	COMMENTS	AUTHORITY REQUIRED	IMPLEMENTATION SCHEDULE
<i>Implement Service Review Tools</i>	<ul style="list-style-type: none"> • Service Alignment Matrix • Cost Recovery Ladder • Cost Calculator Tool • Program Development Tool • Utilization Rates Review/Fees Survey 	<p>Council approval</p> <p>Council approval</p> <p>NA</p> <p>NA</p> <p>NA</p>	Run parallel with current system in 2012 to finalize implementation logistics. Implement for 2013.
<i>Implement Customer Service Improvements</i>	<ul style="list-style-type: none"> • Recreation Access Assistance Program • Recreation Barrie Guide • Recreation Program Electronic Registration • Rename Department - RFT 	<p>Council Approval</p> <p>N/A</p> <p>N/A</p> <p>Council Approval</p>	<p>Fall 2012</p> <p>Fall 2012</p> <p>Fall 2012-2014</p> <p>Fall 2012</p>

Next Steps

- Continuous, Dynamic, & Evolving Methodology
- 4 Key Questions Will Form the Basis of the Next Steps
 - How Are We Doing?
 - Where Are We?
 - Where Do We/Customers Want Us To Be?
 - How Did We Do?
- Fitness & Ice Rentals Review in Progress for 2012 with Other Product Groups to be Reviewed Over the Next Year
- Focus is on Service Utilization Increases vs Rate Increases to Achieve Reduced Net Operating Costs

Questions / Answers