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**TO:** GENERAL COMMITTEE


**SUBJECT:** RECREATION FACILITIES & PROGRAMS  
POST-SERVICE REVIEW UPDATE

**WARD:** n/a

**PREPARED BY AND KEY CONTACT:** R. EMERSON – MANAGER, BUSINESS SERVICES  
EXT. 4500

**SUBMITTED BY:** B. ROTH, DIRECTOR OF RECREATION SERVICES 

**GENERAL MANAGER APPROVAL:** ED ARCHER, CMA  
GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

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**RECOMMENDED MOTION**

1. That the Pricing Strategy methodology, as described in RFT005-13 and which was developed through the Recreation Facilities & Programs Service Review, be endorsed in principle by Council as a process for ensuring recreation activities and programs are aligned with the mission, vision, and values established for the City of Barrie, and for determining related user fees which seek to maximize cost recovery while reflecting the community benefits to be realized through these programs.

**PURPOSE & BACKGROUND**

2. The purpose of this staff report is to:
  - a) Provide Council with an update on the activities and initiatives undertaken by Recreation Services in the 12 months since the Recreation Facilities & Programs Service Review was presented to Barrie City Council, including implementation and assessment of the pricing strategy and associated pricing tools.
  - b) To recommend that the pricing strategy should be endorsed in principle by Council, as a process for ensuring recreation activities and programs are aligned with the mission, vision, and values established for the City of Barrie, and for determining related user fees which seek to maximize cost recovery while reflecting the community benefits to be realized through these programs.
3. On June 4, 2012 City Council adopted motion 12-G-126 entitled "LEISURE TRANSIT AND FACILITIES DEPARTMENT RECREATION PROGRAMS AND SERVICES REVIEW REPORT DATED NOVEMBER 2011" as follows:
  1. That staff report LTF004-12 concerning the 2011 Recreation Programs and Facilities Service Review be received.
  2. That staff be authorized to implement the Service Alignment Matrix and the Cost Recovery Ladder as conceptual tools in determining the service delivery rationale and cost recovery targets for recreation services.

3. That staff undertake a one year trial of using the Cost Calculator Tool in parallel to the current pricing system for recreation services, to enable the evolution of a comprehensive methodology that effectively identifies costs and applies cost recovery targets by product.
  4. That delegated authority be granted to the Director of Leisure, Transit and Facilities, in consultation with the General Manager of Community Operations, to implement various pricing techniques throughout the year as appropriate to increase utilization of programs and facilities achieving greater participation rates towards a healthier citizenry while reducing overall operating costs to deliver recreation services with any new initiatives and their results reported to General Committee by memorandum as soon as feasible.
  5. That staff be authorized to implement a recreation access assistance program effective January 2013 that enables eligible individuals and families access to recreation services by using surplus capacity spots at no additional cost to the City.
  6. That delegated authority be granted to the Director of Leisure, Transit and Facilities, in consultation with the General Manager of Community Operations, to continue the various partnership contracts and work in cooperation with the various partners and social service agencies in the delivery of program services with any new initiatives and their results reported to General Committee by memorandum as soon as feasible.
  7. That effective September 1, 2013 the discounts for 55+ recreation passes and pay-as-you-go admissions for individuals less than 60 years of age be eliminated. To facilitate the change existing 55+ pass holders as of August 31, 2013 that are residents age 55 to 59 would continue to receive applicable discounts while new customers would not be eligible. Those individuals that do not have the ability to pay would still be eligible to apply for recreation access assistance through the designated program to ensure their ability to participate in a healthy active lifestyle.
  8. That the Leisure, Transit and Facilities Department be renamed to the Recreation, Facilities and Transit Department to assist in the promotion of recreation services by bringing it to a higher profile to better align with the community's feedback and understanding of the recreation services provided.
  9. That public consultation on the future of Dorian Parker Centre be deferred until construction of the reservoir has been completed.  
(LTF004-12) (File: R00) (P25/12)
4. On June 4, 2012 City Council adopted motion 12-G-125 entitled "AGREEMENT FOR INSTRUCTIONAL SKATING BETWEEN CITY OF BARRIE AND BARRIE SKATING CLUB" as follows:
- That delegated authority be granted to the Director of Leisure, Transit and Facilities, in consultation with the General Manager of Community Operations, to execute an agreement between the City of Barrie and the Barrie Skating Club for the provision of instructional skating lessons to the community by the Barrie Skating Club. The results of the agreement will be reported back to General Committee by memorandum once the agreement is executed.  
(LTF004-12) (File:R00) (P25/12)

5. Recreation Services has produced a full report on the activities undertaken and progress achieved since the Service Review was presented to City Council in June, 2012. This "Recreation Facilities & Programs Post-Service Review Update" report will be made available in the Councillor's Lounge for review.

### ANALYSIS

6. Since the completion of the Service Review and its presentation to Barrie City Council in June, 2012, Recreation Services has been working hard to implement the improvements identified, and refine the methodologies and tools created, while continuing to search for innovative and more efficient ways to provide recreation opportunities to the residents of Barrie.
7. The past year has been a productive one for Recreation Services: by implementing many of the tools and processes developed during the Service Review, the cost recovery rate for recreation programs has climbed from 42% in 2011, to 45% in 2012.

### Pricing Strategy Methodology & Tools

8. The 2011 Service Review initiated the development of a pricing strategy that has since become the foundation for ongoing program evaluation. Development of the recreation pricing strategy included the creation of three important tools to simplify program evaluation and analysis:
  - a) Service Alignment Matrix: designed to evaluate the alignment of recreation programs with City's and Recreation Services vision, mission and values, and to assess the program's ability to generate revenue and/or effectively use resources, the ability of the Department to manage the program; and the availability of alternate service providers.
  - b) Cost Recovery Allocation Ladder: the centerpiece of the pricing strategy, the Ladder was developed to provide cost recovery guidance by assigning target cost recovery rates for different categories of recreation activities based on the community and individual benefits of each activity, and the level of specialized skill required for leading and participating in the activity.
  - c) Cost Calculator: developed to assist staff in estimating activity costs during program development, and to allow for an ongoing review of cost, price, and cost recovery levels.
9. The pricing strategy methodology pulls together all three of the pricing tools which were developed. First, activities are using the Service Alignment Matrix to ensure they are aligned with the purposes and priorities of the City of Barrie, and of the Recreation Services Department. The Matrix also determines the community and individual benefits and the associated degree of skill specialization for each activity. These attributes are then used to identify the activity's placement on the Cost Recovery Allocation Ladder, and the appropriate cost recovery rate that should be targeted. And finally, the Cost Calculator is used to estimate program costs, and to establish an appropriate fee which will achieve the targeted cost recovery level. The following figure summarizes the pricing strategy methodology:



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Findings of the Pricing Strategy Review

10. As directed by Council in June of 2012, staff has for the past 12 months worked to implement the pricing methodology and tools, to assess their effectiveness, and to identify improvements. This work included a detailed, line-by-line analysis of historical costs for each of the 7,600+ activities and programs delivered by Recreation Services in 2012 - the first time such a detailed level of cost analysis has been completed.
11. An overall assessment of the pricing process determined that generally the methodology is an effective framework for reviewing programs and setting user fees. On an activity-by-activity basis, the process is straightforward and is useful for analysing new programs, or for the targeted review of existing ones.
12. Staff determined that the Service Alignment Matrix was an effective tool for evaluating the "fit" of recreation programs, and ensuring activities align with the priorities established by Council, and the Department. The Matrix is a good first step to the pricing methodology and provides clear outputs to be used later in the process. Additional refinements will be pursued to ensure that the analysis guided by the Service Alignment Matrix is as objective as possible.
13. A review of the Cost Recovery Allocation Ladder found that provides an effective structure for recognizing the differing levels of community and individual benefit that exist within Recreation Services' portfolio of programs, and for establishing cost recovery targets which reflect these varying levels of benefit. However, it was also determined that the Cost Recovery Allocation Ladder may need to be adjusted in order to improve its usefulness in guiding activity-level decisions.
14. By including all facility and overhead costs in the defined cost recovery targets, the Ladder could lead to decisions which actually work against the goal of improving overall cost recovery. For many programs, the Ladder could provide guidance to not operate an activity which cannot meet its defined cost recovery target, even though in some situations overall financial performance could negatively impacted when such a decision would reduce revenue by more than costs would be reduced.
15. While the larger goals for Recreation Services should consider all facility costs and all levels of overhead – these "full" cost recovery targets should be complimented by a set of "direct program recovery" targets that are structured to ensure activity-level decisions contribute to the larger "full" cost recovery goals. These more specific targets would only consider the revenues and expenses which would be realized by operating a program – or which would be eliminated by not operating it – and would exclude any fixed costs which would not be impacted by the decision. Including these more specific targets on the Cost Recovery Allocation Ladder would provide better guidance for activity-level decisions, and would allow for a more effective comparison of activities with differing cost recovery levels.
16. The Cost Calculator tool has proven to be a useful tool for ensuring all possible costs are considered when developing a new program. Through its implementation refinements to the calculator's algorithms have been identified, that will allow an "incremental facility" cost to be calculated for each program or activity. This approach would isolate the additional facility costs that would only be incurred if a program were operated, from the fixed facility costs which will continue to exist whether or not the program is run. These isolated incremental facility costs would be used as part of the direct program cost recovery approach.

Introduction of the Neighbourhood Teams Model

17. At the same time as working to implement the findings of the Service Review and identify further cost savings, Recreation Services is also working to increase the community benefits realized through recreation. A new Neighbourhood Staffing Model introduced in the fall of 2012 created three new neighbourhood-based program teams.
18. Where program staff were previously organized by activity type and were responsible for those activities all across Barrie, the new Neighbourhood Teams Model allows staff to focus on identifying and meeting the needs of each community. Program consistency across the City is maintained by a collaborative approach to program development, where members from all neighbourhood teams, who are responsible for similar activities, work together to determine program principles.
19. The Neighbourhood Teams Model has put an emphasis on activities, programs, and special events that are specifically tailored to each community. Through this approach the three community centres, while still providing a consistent recreation experience that users have come to expect, have very much become community hubs – local places that the neighbourhood can feel much more engaged in.
20. The following are examples of some of the dozens of new and expanded initiatives that have been realized in the past 12 months, through implementation of the new Neighbourhood Teams Model:

Allandale Neighbourhood Team	East Bayfield Neighbourhood Team	Holly Neighbourhood Team
<ul style="list-style-type: none"> <li>• Allandale Community Fall Fling</li> <li>• Scott Woods "Traditional Christmas" Concert</li> <li>• Increased 55+ Centre Programming</li> </ul>	<ul style="list-style-type: none"> <li>• Community Centre Open House</li> <li>• "Halloween Thriller" School Partnerships</li> <li>• New "After-School Club" Programming</li> <li>• "Nerf Wars" Family Event</li> </ul>	<ul style="list-style-type: none"> <li>• National Youth Week "Teens vs. Police" Dodgeball Event</li> <li>• Holly Meadows "Fitastic Fridays" Partnership</li> <li>• Easter "EGGstravaganza"</li> </ul>
<b>City-Wide Initiatives:</b>		
<ul style="list-style-type: none"> <li>• Increased Holiday-Weekend Programming</li> <li>• Expanded RBC Family Day Programming</li> <li>• New partnership with the Rotary Club to provide free adult "Swim to Survive" lessons</li> <li>• Expanded "Loonie Swim" Schedule</li> <li>• "Lawnchair Luminata" expanding to all 3 Community Centre's in Summer 2013</li> <li>• January 2013 Fitness Childcare Promo</li> <li>• Expanded Recreation Membership offerings, including Corporate Discount Program, and Barrie Police Services discount</li> </ul>		

Introduction of a Fee Assistance Program - RecACCESS

21. In January 2013, Recreation Services launched RecACCESS – a fee assistance program intended to ensure all residents can participate in recreation programs and activities regardless of their financial situation. RecACCESS provides support to qualifying low-income families and individuals through credits which can be applied to recreation registration and activity fees. Since the March 5, 2013 public launch of the program, 227 applications for RecACCESS have been approved in the first two months. Staff will continue to monitor the program through its infancy, to ensure it can continue to be provided at no cost through the use of exiting program capacity.

Other Cost Savings Initiatives & Successes

22. After consultation with impacted communities, the Maple Avenue Youth Centre was closed on March 30, 2012, and the Victoria Village Community Centre ceased operating on June 30, 2012. These closures resulted in significant saving related to the lease/debt payments, and the ongoing cost of maintenance and operations:

Year	Victoria Village Community Centre	Maple Avenue Youth Centre	Total
2012	\$ 123,000	\$ 140,000	\$ 263,000
2013	126,000	55,000	191,000
2014	29,000	69,000	98,000
2015	382,000	0	382,000
<b>4-Year Total</b>	<b>\$ 660,000</b>	<b>\$ 264,000</b>	<b>\$ 924,000</b>

23. Following Council's endorsement in June 2012, Recreation Services entered into a partnership with the Barrie Skating Club regarding instructional skating programs. In September 2012, the Barrie Skating Club assumed responsibility for all learn-to-skate programs through their existing CanSkate program. A review of this partnership with the Barrie following the first season indicates that the relationship has yielded positive results for both parties.

City of Barrie		Barrie Skating Club	
September 2011 to April 2012		Total CanSkate members	
Revenue from Barrie Skating Club	\$97,000	in 2011-12:	192
Net Revenue from City-operated skating programs	\$66,000	in 2012-13:	720
	<b>\$163,000</b>	Total club membership	
		in 2011-12:	340
		in 2012-13:	910
		Total CanSkate registrations (including re-registrations):	1,300
September 2012 to April 2013		Spring CanSkate registrations	
Rental Revenue from Barrie Skating Club	\$117,000	in 2012:	45
Additional Rental Revenue from Surplus Prime-Time Ice (to other organizations)	\$100,000	in 2013:	200
	<b>\$217,000</b>		
		• Program success has allowed BSC to provide additional volunteer-credit hours to over 20 high school students.	
		• Increased membership has also lead to the hiring of additional coaches, typically high school or post-secondary students	
Net Increase			
<b>+ \$54,000</b>	<b>+ 33.1 %</b>		

24. As directed by Council, Recreation Services undertook limited use of variable pricing techniques to increase utilization in some areas. In 2012 this strategy was implemented for ice rentals, where “discounted rates” were used in an attempt to increase rentals during traditional periods of low demand. A review of ice usage and revenue during these targeted periods identified some success, with modest increases to both hours rented and revenue generated in most categories.

#### Program Offerings and Utilization Optimization

25. In an effort to increase the quality of recreation programs offered, and to focus resources on the best performing activities, staff has begun significantly improving the program review and development process. This important process leads to the ultimate decision of what activities and programs will be offered in future sessions and how much of each will be scheduled.
26. While the Service Review initially recommended conducting utilization reviews every 2 years, customized reports have been developed for the Class registration system to allow this analysis to take place on an ongoing basis. This means staff is provided with more frequent guidance on programs that should be cancelled, rescheduled, or otherwise adjusted.

#### Future Focus Areas

27. In addition the Pricing Strategy Methodology and other initiatives already mentioned in this report, staff have identified a number of areas where future efforts will lead to improved cost recovery, better utilization, increased participation, or a more efficient delivery of services areas.

#### High Utilization and Low-Cost Programming

28. The cost analysis exercise reinforced that increasing participation alone will not improve the cost recovery rate for Recreation Services. Since most recreation services, like most municipal services, are priced lower than their full cost, simply increasing sales without improving the cost recovery rate will only worsen the net cost situation. As such, Recreation Services will work to reinforce that, while participation growth is important and will always be pursued; the focus has to be on reducing costs first. This will mean identifying additional operational savings for Barrie's recreation facilities, finding ways to decrease the delivery costs for popular and priority programs, and continuing to re-evaluate programs that are unnecessarily drawing on resources with little benefit. Efforts in this area are already being increased, with a more rigorous program assessment and approval process being used for the development of the 2013 Fall and Winter session.

#### Building on Strong Community Partnerships:

29. In recent years Recreation Services has developed hundreds of important partnerships with external community organization, many of whom deliver recreation activities and programs on behalf of the City of Barrie. These partners include:

- |                                  |                            |
|----------------------------------|----------------------------|
| a) Barrie Royals Basketball Club | f) Tornado Lacrosse Club   |
| b) Barrie Elites Volleyball Club | g) Barrie Tae Kwon Do Club |
| c) Barrie Yacht Club             | h) MacLaren Art Centre     |
| d) Barrie Skating Club           | i) Talk is Free Theatre    |
| e) Barrie Community Tennis Club  | j) + Dozens more           |

30. Beyond these important partners, there is a larger category of independent community groups who rent space within the City's recreational facilities, but with whom Recreation Services has no formal or informal partnership. In 2012, facility rentals to community organizations and individuals totalled 25,789 (including pools, arenas, gymnasiums, and meeting rooms), accounting for just over 25% of the total hours of recreation provided within the City's facilities.
31. Opportunities should be identified to better support these non-partner community groups, to seek a higher level of input from them and to develop new, mutually beneficial partnerships. While these partnerships may allow for an alternate delivery of programs already offered by the Recreation Services, perhaps more importantly they could create new recreation opportunities and the potential for rental revenue through additional community use of the City's recreation facilities.

#### Increasing Data-Based Decisions Making

32. The Service Review and associated cost analysis exercise has laid a solid foundation for Recreation Services, as a department that makes sound decisions based on thorough data analysis. Recreation Services has an extensive amount of data available through its registration system, and staff is now finding new ways to identify trends within the data and for this information to guide decision making.
33. While in-depth data analysis is critical to future success, the frequency and benefit of these activities is limited by the capabilities of the City's current financial system. When the City of Barrie replaces its financial system with a modern Enterprise Resource Planning system, Recreation Services has identified the need to ensure this system, possibly in conjunction with others, can integrate the revenue and expense information in the City's financial accounts with program registration and activity information in Recreation Services' registration database. This integration will be critical to continuing the analysis of recreation costs at an activity-level.
34. Recreation Services data analysis capabilities are also limited by the current Class registration system which was purchased by the City of Barrie in 1998. Over the past 15 years, the system's functionality has remained largely unchanged, and the system vendor recently announced that the final version upgrade will be made available in the Fall of 2013. Furthermore, while a specific date has not yet been set, the vendor anticipates ending technical support for Class within the next few years. In the coming months Recreation Services plans to investigate alternatives which could better meet current and future registration system needs, in conjunction with ICT.

#### Customer Service Strategy Development

35. The development of a corporate-wide customer service strategy has been identified as a goal within Council's strategic plan. While these efforts will be led by the new Access Barrie department, Recreation Services should be engaged in the development of this strategy as an important stakeholder. With Client Services desks operating at three community centres dispersed across the city, these facilities may be able to play an important future role as "community hubs" in the delivery of customer service for the City of Barrie. This could include additional non-recreation services being provided through the Client Services desks, to even further increase their value.



**ENVIRONMENTAL MATTERS**

36. There are no environmental matters related to the recommendation.

**ALTERNATIVES**

37. As this report is being presented for information purposes only, no alternatives are presented.

**FINANCIAL**

38. There are no financial implications for the Corporation resulting from the proposed recommendation.

**LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

39. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Strengthen Barrie's Financial Condition
  - Improve and Expand Community Involvement and City Interactions
40. The detailed Service Review undertaken by Recreation Services, and implementation of the initiatives identified, will lead to a more efficient delivery of the City's recreation program. These efforts help to Strengthen Barrie's Financial Condition by balancing recreation service demands with financial resources, and diversifying recreation revenues.
41. By ensuring that Recreation Services' programs align with the City's mission, vision, and values, Recreation Services will enhance and improve these important opportunities to interact with thousands of residents each year.

# **Recreation Facilities & Programs Post-Service Review Update**

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Prepared by the Recreation Services Department  
May 27, 2013

*The City of*  
**BARRIE**

# Recreation Facilities & Programs Service Review

Post-Service Review Update • Prepared by the Recreation Services Department • May 27, 2013

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# Part 1:

## Introduction & Background

### 1.1 Introduction & Summary

During the 2011 Business Planning Process, Barrie City Council directed Recreation Services (then known as Leisure, Transit and Facilities) to undertake a detailed review of the recreation services offered by the City of Barrie. This motion kicked off a thorough investigation into the practices and processes of the department to assess the costs and benefits of the services offered, establish priorities for these services, and identify opportunities for cost savings or a more efficient delivery of recreation programs and activities.

Since the completion of the Service Review, and its presentation to Barrie City Council in June, 2012, Recreation Services has been working hard to implement the improvements identified, refine the methodologies and tools created, and to continue searching for innovative and more efficient ways to provide recreation opportunities on behalf of the City of Barrie

The past year has been a busy and productive one for Recreation Services. By implementing many of the tools and processes developed during the Service Review, the cost recovery rate for recreation programs has climbed from 42% in 2011, to 45%.



**Recreation Programs Cost Recovery Rate**  
(including all expenses)

In addition to these early gains in performance, much effort has been put into reviewing the Service Alignment Matrix, Cost Recovery Allocation Ladder, and Cost Calculator tools, and refining how these important tools are used to guide good decision making. This work, and many of the other initiatives undertaken this year, will yield further improvements to cost performance in the coming years.

In 2012, Recreation Services also significantly improved the development and delivery of recreation program by moving to a Neighbourhood Staffing Model. With this important shift, the three new program teams based out of each community centre have been able to dive deeper into the needs of their respective neighbourhoods and to

plan more compelling programs and events for the communities they serve.

This report provides a comprehensive update on the activities which Recreation Services has undertaken over the past year, and the progress achieved during this time. These activities included a detailed assessment of the pricing strategy methodology and tools developed during the Service review, and initiatives undertaken to improve pricing, costs, participation, and utilization. Finally, the report presents some thoughts on potential areas for future focus, where additional improvements to the delivery of recreation can be realized.

### 1.2 Summary of the 2011 Service Review

Starting in 2011, Recreation Services (then known as Leisure, Transit and Facilities) undertook the Recreation Facilities & Programs Service Review to achieve the following key objectives:

#### Key Objectives of the Service Review:

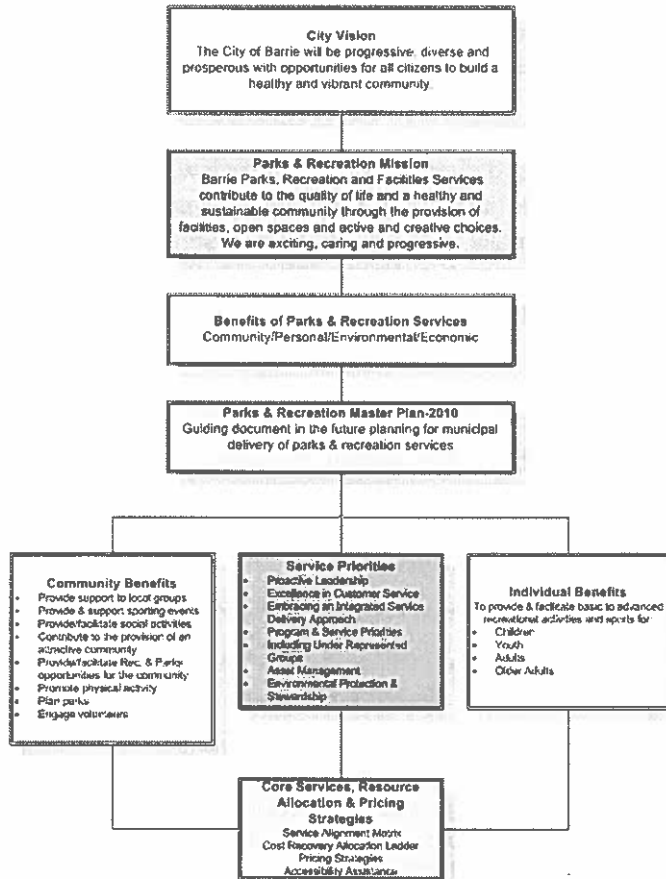
- Determine the Cost of Services
- Develop a Pricing Strategy
- Identify Opportunities for Increased Utilization for Recreation Programs & Facilities

*From the "LTF004-12 Recreation Programs and Facilities Service Review" presented to City Council, June 4, 2012.*

The pricing strategy developed during the Service review – along with the associated Service Alignment Matrix, Cost Recovery Allocation Ladder, and Cost Calculator tools – has since become the foundation for ongoing program evaluation. The strategy introduced a methodology intended to provide prices which would increase program utilization and maximize cost recovery, while recognizing the community and individual benefits of recreation and balancing the need for accessible, affordable recreation services. The pricing strategy also included the creation of two important tools to simplify program evaluation and analysis: the Service Alignment Matrix and the Cost Recovery Allocation Ladder.

The first step in the pricing methodology was to confirm that the recreation programs offered – and the community and individual benefits derived from these

services – were aligned with a set of governing principles. These governing principles included the Vision, Mission and Values of the City of Barrie and of the Recreation Services Department, and the principles and service priorities identified in the 2010 Parks & Recreation Master Plan. This alignment is illustrated below:



facilitating delivery through a better-positioned provider, or ceasing delivery.

The Cost Recovery Allocation Ladder was developed as a complementary tool to the Service Alignment Matrix to provide cost recovery guidance. The Ladder grouped all recreation activities into categories based on the community and individual benefits of each program and the level of specialized skill required for leading and participating in the activity. Using these groupings, target cost recovery ranges were then established – with higher community benefit and/or lower skill activities receiving lower cost recovery targets, while higher individual benefit and/or more specialized skill activities received higher cost recovery targets. An example of the Cost Recovery Allocation Ladder for the Sports Program Group can be found in Appendix 2 of this report.

The Cost Calculator was developed to assist staff in estimating activity costs during program development, and to allow for an ongoing review of cost, price, and cost recovery levels. Using cost factors derived from historical costing data, the Cost Calculator estimated costs based on the type of facility to be used, the staff support required for an activity, the cost of direct program supplies, and the length of the program. The calculator then identified the target cost recovery range for an activity based on the Cost Recovery Allocation Ladder and provided guidance on the price that should be established for an activity, based on the estimated cost and target cost recovery level.

The pricing strategy methodology pulls together all three of the pricing tools which were developed. First, activities are using the Service Alignment Matrix to ensure they are aligned with the purposes and priorities of the City of Barrie, and of the Recreation Services Department. The Matrix also determines the community and individual benefits and the associated degree of skill specialization for each activity. These attributes are then used to identify the activity's placement on the Cost Recovery Allocation Ladder, and the appropriate cost recovery rate that should be targeted. And finally, the Cost Calculator is used to estimate program costs, and to establish an appropriate fee which will achieve the targeted cost recovery level. The following figure summarizes the pricing strategy methodology:



## Part 2:

# Review of Pricing Strategy Methodology & Tools

### 2.1 Building on the Pricing Strategy Methodology

In June of 2012 the pricing strategy developed during the Recreation Facilities & Programs Service Review, was presented to Council for consideration. While staff report LTF004-12 presented a methodology for determining prices that would ensure fiscal responsibility and align with the City's mission, vision, and values, the report also acknowledged that the process and tools developed were conceptual. As such, when Council provided the following direction to staff:

#### Direction from Council:

"That staff be authorized to implement the Service Alignment Matrix and the Cost Recovery Ladder as conceptual tools in determining the service delivery rationale and cost recovery targets for recreation services."

"That staff undertake a one year trial of using the Cost Calculator Tool in parallel to the current pricing system for recreation services, to enable the evolution of a comprehensive methodology that effectively identifies costs and applies cost recovery targets by product."

*Excerpt from Motion 12-G-126 adopted by Barrie City Council on June 4, 2012*

In order to fully determine the effectiveness of the methodology and associated tools, staff would need to implement the system on a trial basis. Accordingly, over the past year staff has worked to verify the functionality of the Service Alignment Matrix, Cost Recovery Allocation Ladder, and Cost Calculator, and to identify further improvements to the pricing methodology. These efforts included a detailed, line-by-line analysis of historical costs, in order to determine the cost of every activity and program delivered in 2012.

This activity-level cost analysis was necessary to verify the initial cost recovery targets which had been established for the Cost Recovery Allocation Ladder. At the time this tool was originally developed, this detailed level of cost analysis was uncharted territory and staff could not identify comparable activity-level cost recovery data for any other municipality in Ontario. While the Cost Recovery Allocation Ladder targets were best estimates of what might be reasonable achievable for each type of activity, they were largely arbitrary, and it was therefore

critical to review the targets against actual data to determine their appropriateness..

Similarly, while the Cost Calculator had been subjected to significant development testing to ensure it was mathematically sound and was producing "correct" numbers, at the time there was no way of knowing whether these were in fact the "right" numbers. The only way to determine the accuracy of the cost and fee guidance provided by the calculator was to compare these estimates to actual cost and revenue data for each activity.

With the need for actual historical data identified, the challenge became: how could activity-level cost detail be generated from financial data that had never been broken down to this level?

### 2.2 Development of Activity-Level Costs

At first, tracking the costs for specific activities seems like a simple task – and for a small operation with a limited number of activities and cost inputs, it would be. On an ongoing basis, activity costing would mean accurately assigning every invoice paid, pay cheque issued, and registration payment received, to the specific activities for which these revenue and expenses were related. But for a number of reasons, this type of detailed cost and revenue assignment is not feasible.

The challenge begins with the fact that cost and revenue details for Recreation Services' activities are tracked through two separate systems. While Barrie's Class registration system tracks exact revenue dollars to each activity, the system does not track expenses, which are recorded only through the City of Barrie's financial system. While the City's general ledger includes all revenues and expenses, it does not breakdown either of these amounts to specific activities. Even if this activity-level cost assignment were possible through our tracking systems, the significant labour resources required to ensure the accurate implementation of such a process would likely make it cost prohibitive.

Further complicating matters, program-related costs are tracked in the City of Barrie's general ledger through the Recreation Programs Branch, while facility-related costs are tracked through the Facilities Operation Branch. Since the chart of accounts for these two Branches does not entirely match, connecting facilities costs to their related activities is even more difficult.

While it was hoped that a methodology for activity-level costing might have already been developed, a review of recreation departments across Ontario could not identify any municipalities that had performed such an analysis. With no best practices to draw upon, staff set about creating a way to distribute aggregated pools of costs to each of the nearly 7,600 activities and programs delivered by Recreation Services in 2012.

Accurately determining the cost of every one of these activities was an intensely complicated process requiring significant resources. The goal was to develop algorithms that reflected as closely as possible the actual administration of recreation programs, and the operation of the facilities. The process started with analyzing how costs were recorded and learning more about what those costs were for. Assumptions were developed and tested; in many cases requiring an advanced understanding of operational details – such as how facility time was allocated, how swim instructors were scheduled, and how activities were set-up and tracked through the Class registration system. Other non-financial information was also gathered, including facility audits and square footage breakdowns, organizational hierarchies, and program and activity data from the registration system.

Armed with a detailed understanding of Recreation Services' operations, formulas were then developed to break down the larger pools of costs into smaller groups. The cost analysis began by distributing maintenance and operational costs to the specific components of each facility to establish an estimated cost for the pool, arena, meeting rooms, gymnasium, fitness centre, and other areas. These facility component costs were then proportionally distributed to activities based on the hours of use for each activity. Next, a similar algorithm was developed to distribute administrative and labour costs (including applicable corporate, division, department, and branch overhead) to each of the program groups, such as aquatics, fitness, community programs, skating, and seniors programs. Once again, these pools of expenses were proportionally assigned to each activity based on the hours of programming provided.

Once the facility and program costs had been developed for each activity, these amounts were then matched up with the revenue recorded through the Class registration system. In the final step of the analysis, a cost recovery rate was calculated for each activity.

### **2.3 Cost Recovery Allocation Ladder Review**

With cost recovery rates generated for each 2012 activity, these rates were compared to the Cost Recovery Allocation Ladder targets. The first and most noticeable observation of this analysis was that only

32.5% of the activities had a cost recovery rate which met or exceeded the assigned target. In response to this low compliance rate, and considering the arbitrary nature by which the Cost Recovery Allocation Ladder targets were established, staff attempted to answer the question: how appropriate were the established targets?

To better understand how achievable the targets were, staff performed a detailed scenario analysis to determine what affect future price increases or cost decreases for individual activities could have on cost recovery compliance. This analysis revealed that if 10% price increases were applied annually for 2014 through 2018, the number of activities meeting their cost recovery targets would only increase from 32.5% to 57.6%. This even assumed costs would remain unchanged during this period, and ignored the significant drop in participation that would undoubtedly accompany this 61% increase in prices over 5 years. This conclusion would seem to indicate that the originally established targets were not reasonable, and were not achievable.

Nonetheless, in its preliminary form the Cost Recovery Allocation Ladder had proven to be an important tool to quantify the priorities established by the Service Alignment Matrix and to communicate these priorities in the form of cost recovery rates. The grouping of activities based on community benefit and skill level has provided good general pricing guidance, and the overall structure and format of the Ladder means that it is easy to use. However, without effective cost recovery ranges, the Ladder is falling short of its intended use as a tool meant to simply the process of setting specific activity prices.

While updated cost recovery targets would improve the Cost Recovery Allocation Ladder, a further shortcoming was identified which limits the effectiveness of the guidance it provides to specific activity-level decisions. As a tool developed to evaluate the full cost recovery of activities, the Ladder's targets include not only the direct cost of operating a particular program, but also facility and overhead costs. Since these fixed facility and overhead costs will largely continue to exist whether or not the activity is operated, including them within the targets which are used to make this decision could lead to actions which work against the goal of improving overall cost recovery.

When analyzing a number of programs which failed to meet their Cost Recovery Allocation Ladder targets, it was discovered that the revenue generated by these programs was in many cases still higher than the direct costs which would be saved if the programs were not operated. This could mean the Ladder is providing guidance to cancel programs that fall below their defined targets, even though overall financial performance would only be made worse by this decision – since revenue will

drop by more than costs will go down. While the Ladder's guidance could also be interpreted as a need to increase the program's price, or decrease its costs, evaluating the effectiveness of either action would be difficult without first isolating its program costs.

While the larger goals for the Recreation Services Department should consider all direct and fixed expenses – including facility costs and all levels of overhead – combining these goals with more specific “direct-program” cost recovery targets would provide better guidance for activity-level decisions. Using this approach, the Cost Recovery Allocation Ladder could be refined to first consider the direct program recovery rate of a program, and then to identify the amount of “margin” which should be added when calculating the activity's price – based on the activity's location on the Ladder. This method would establish two targets for each activity: a minimum recovery rate that it must meet in order to continue, and a target rate to strive for. This refined methodology would also allow for a better comparison of activities with differing cost recovery levels, providing a clearer basis for deciding when one program should be run in place of another.

#### **2.4 Cost Calculator Review**

The Cost Calculator has proven to be a useful tool for ensuring all possible costs are considered when developing a new program. However the activity-level cost analysis highlighted that the algorithms within the Cost Calculator should be adjusted to better reflect the principle of full cost recovery. While the Calculator was generating accurate numbers, it had been designed to apply facility and overhead costs to an activity based on the percentage of total available facility time the activity used. This approach was intended to ensure that registered programs were not carrying more than their fair share of facility and overhead expenses, as compared to external rentals and drop-in activities. However, this approach meant that the calculator was not considering full facility and overhead expenses since some portion would remain unapplied if the facility was used less than 100% of the time. For example, if a pool was only used 80% of the available time, then using this approach only 80% of the facility costs related to the pool would be applied to the activities that made use of the facility.

To be more reflective of the full cost recovery principle, the activity-level cost analysis applied all known facility and overhead costs to activities on the basis of percentage of total facility use, not total available time. This approach thereby ensured that all facility costs are applied to the activities which took place, regardless of amount of time the facility sat idle.

Further refinement to the Cost Calculator will also be required, to allow it to accurately identify and isolate direct program costs. While the Calculator does currently identify the direct expenses which are specific to an activity or program, (i.e. supplies, wages, etc.), it currently assigns a proportionate share of facility and overhead costs. To allow for true direct program cost recovery analysis, the Calculator should isolate the incremental facility and overhead costs from the fixed amounts for these expenses, thereby highlighting the additional cost amount that will be realized if a program is operated.

#### **2.5 Service Alignment Matrix Review**

For the past year, staff has continued to use the Service Alignment Matrix to evaluate new programs, and to review existing programs with underperforming participation levels. During the first round of program reviews, the various recreation products of aquatics, fitness, sports, skating, dance, and general interest programming for children, youth, adults and seniors were considered to be good fits as healthy and active lifestyle activities for all ages. Where the Matrix exercise identified viable opportunities for alternative service delivery for a service or program, such options have been investigated and implemented. For example, the outcome of the Service Alignment Matrix for skating programs was “Facilitate Best Provider” and, since that time, the department has created a mutually beneficial partnership with the Barrie Skating Club for instructional skating. Findings from the use of the Service Alignment Matrix have also been extensively applied to the portfolio of camp programs, where the number of different camp programs offered in 2013 has been reduced by 27% to focus on key products that better align with recreation goals.

In general, the Service Alignment Matrix has been seen as a useful tool since its implementation during the Service Review. While staff will continue to refine the use and application of this tool, no significant changes to the tool itself have been deemed necessary.



## Part 3: Additional Initiatives & Progress

While the reviewing and refining the pricing strategy methodology and tools has been the primary focus over the past year, Recreation staff has also worked to identify and implement improvements in a number of other areas. The following sections highlight some of the efforts to improve pricing, reduce cost, increase participation, and improved utilization – including successes in these areas.

### 3.1 Pricing Initiatives

#### Variable Pricing Strategies for Ice Rental

As part of the Recreation Facilities & Programs Service Review, staff identified an opportunity to increase utilization in some areas through the use of variable pricing. Over the past year, this strategy was implemented in an attempt to increase the ice rentals during traditional periods of low demand. In 2012, the following variable pricing rates were used:

Non-Prime Ice Rental Rates		
Period	2011-12 Rates	2012-13 Variable Pricing
<b>Weekday Non-Prime:</b> (Monday to Friday 8:00 a.m. to 4:00 p.m.)	\$178.15 - \$213.48	\$147.50
<b>Regular Season Saturday Evenings</b> (8:00 p.m. to 12:00 a.m.)	\$178.15 - \$213.48	\$147.50
<b>Summer Season Weekends</b> (May to August)	\$213.48	\$177.23

A review of ice rentals from September 2012 through April 2013, with comparison to the prior season, indicates these variable pricing strategies have yielded positive benefits in most categories:

	Hours Rented			Revenue		
	2011-12	2012-13	Change	2011-12	2012-13	Change
<b>Weekday Non-Prime:</b> (Monday to Friday 8:00 a.m. to 4:00 p.m.)	2,402.75	2,097.75	-12.69%	\$ 130,714.25	\$ 110,415.73	-15.53%
<b>Weeknight Non-Prime:</b> (Monday to Friday after 11:00 p.m.)	93.87	124.90	+ 33.06%	\$ 18,532.57	\$ 18,906.38	+ 2.02%
<b>Regular Season Saturday Evenings</b> (8:00 p.m. to 12:00 a.m.)	562.50	615.28	+ 9.38%	\$ 93,716.81	\$ 109,954.45	+ 17.33%
<b>Summer Season Weekends</b> (May to August)	521.83	653.00	+ 25.14%	\$ 81,439.62	\$ 115,268.04	+ 41.54%

(While there appears to be a significant drop in Weekday Non-Prime rentals, this is primarily due to a reduction in hours rented by the Mariposa School of Skating, and a reduction in ice rentals from elementary and secondary schools due to the temporary elimination of extracurricular activities in 2012 and 2013.)

## Market Scan Summary

The June 2012 report originally recommended undertaking an external market scan every two years, in order to determine the positioning of the activity, program and membership fees charged by Recreation Services. Nonetheless, in the Spring of 2013 Recreation Services undertook a focused update to some of the areas in the original market scan, in order to ensure a good understanding of current market conditions in Barrie, and beyond.

For the most part, the City of Barrie's pricing position remains largely unchanged relative to comparable recreation products in Barrie, and comparable Ontario municipalities. This result is not entirely surprising, with prices generally matching the low levels of inflation generally prevailing in the larger Canadian economy over the past year.

Fitness			
Monthly membership rates as of January 1, 2013			
	Adult	55+	Family
City of Barrie (Resident)	\$ 37.98	\$ 25.74	\$ 57.88
City of Barrie (Non-resident)	\$ 42.68	\$ 30.44	\$ 62.59
Georgian College	\$ 26.67	--	--
Goodlife Fitness	\$ 63.91	2 members - \$114.83 3 members - \$147.33	
YMCA (includes bundled registered programs)	\$ 47.00	\$ 41.00	\$91.00

As a highly competitive sector, the specific amenities and features offered by each fitness provider must be considered in order to determine Barrie's place positioning within the market. YMCA Barrie, for instance, bundles other registered programs within its family memberships – including 2 non-swimming programs per year, and 1 swimming program per session, for each child. Similar to most private fitness providers, Goodlife Fitness tends offer a higher amount of fitness equipment which is much more modern, and the facility is also open 24 hours per day for a portion on the week. In general however, current market conditions for fitness membership opportunities in Barrie would seem to indicate some modest room for growth in the fees charged by Recreation Services. These fees are set to increase by 3% on September 1, 2013 – as approved in the 2013 Fees Bylaw.

Summer Camps	
Summer 2013 – Regular One Week Fees	
City of Barrie	\$150-275
Barrie Dance Conservatory	\$150
Barrie Soccer Club (includes Bus)	\$160
Barrie Tennis Club	\$152-162
Camp Hardwood	\$250
The Creative Palette	\$195-230
Georgian College	\$260
NTR Hockey Camp (includes lunches)	\$279-399
Willow Creek Day Camp	\$110-165
YMCA (includes Bus)	\$132-280

Camps offered by the City of Barrie on the higher end of the range are more highly specialized, with most delivered by 3<sup>rd</sup> party partners, while camps on the lower end of the spectrum are more general in nature, and are delivered by Recreation Services staff. In the context of the market for summer camp offerings in Barrie, Recreation Services seems to offer a competitive price portfolio, with a good range of options.

Registered Program Fees	
Hourly registration fees as of January 1, 2013	
<b>Seniors</b>	
Barrie	\$5.56
Comparative Range	\$5.56 - 17.34
Average	\$10.29
% Above or Below Average	-46%
<b>Dance</b>	
Barrie	\$11.11
Comparative Range	\$4.67 - 12.88
Average	\$10.30
% Above or Below Average	8%
<b>Fitness</b>	
Barrie	\$9.94
Comparative Range	\$6.00 - 9.94
Average	\$8.44
% Above or Below Average	18%

Preschool	
Barrie	\$10.20
Comparative Range	\$3.73 - 26.75
Average	\$14.87
% Above or Below Average	-31%
Sports	
Barrie	\$8.50
Comparative Range	\$3.50 - 9.38
Average	\$7.13
% Above or Below Average	19%
Swimming	
Barrie	\$11.40
Comparative Range	\$11.40 - 16.86
Average	\$14.02
% Above or Below Average	-19%

The comparison of registered fees with nearby and similar municipalities considered data from a representative sample of programs offered by Barrie, from London, Richmond Hill, Thunder Bay, Innisfil, Springwater Township, Oro-Medonte Township, and Orillia – where available.

#### Eliminating 55+ Discounts

For many years, residents who are 55 years and older have received a discount to recreation and activity fees. When the Recreation Facilities & Programs Service Review was presented in staff report LTF004-12 in June of 2012, City Council provided the following direction with respect to programs with these discounts:

#### **Direction from Council:**

"That effective September 1, 2013 the discounts for 55+ recreation passes and pay-as-you-go admissions for individuals less than 60 years of age be eliminated. To facilitate the change, existing 55+ pass holders as of August 31, 2013 that are residents age 55 to 59 would continue to receive applicable discounts while new customers would not be eligible. Those individuals that do not have the ability to pay would still be eligible to apply for recreation access assistance through the designated program to ensure their ability to participate in a healthy active lifestyle."

*Excerpt from Motion 12-G-126 adopted by Barrie City Council on June 4, 2012*

As we near the September 2013 implementation date provided by Council, staff is continuing to plan for the elimination of current discounts for those 55 years and older, and the anticipated impact of limiting such discounts to those 60 years and older. Since Council's direction included phasing-in this new policy for current recreation participants the overall impact of this change should be minimal – as those already over 55 but

younger than 60 will continue to receive current discounts. Additionally, the City of Barrie's new RecACCESS program (explained in more detail in Section 3.3) is now available to ensure access to recreation for those that may require financial assistance, including those impacted by the removal of these discounts.

Staff is currently identifying changes that will be required for those programs currently branded as 55+, including the 55+ Centres at Parkview and Allandale. Initiatives to communicate these changes to recreation users will begin in the summer of 2013, and will be fully implemented with the launch of the 2013 Fall and Winter Recreation Program Guide.

### **3.2 Cost Savings Opportunities**

#### Closure of Surplus Facilities

The 2012 Business Planning – approved by City Council through Motion 12-G-010 on January 30, 2012 – included a Program Change Form that directed that the Victoria Village Community Centre and Maple Avenue Youth Centre be closed. This direction was recommended during the Recreation Facilities & Programs Service Review, which identified these facilities as under-utilized and surplus to the City's recreation needs.

After consultation with the communities who would be impacted by these changes, the Maple Avenue Youth Centre was closed on March 30, 2013, and Victoria Village Community Centre ceased operating on June 30, 2012. Since these facilities were leased by the City of Barrie, the closures resulted in significant saving related to the lease payments, and the ongoing cost of maintenance and operations. The following chart details the savings which have been realized, and the future savings which will be realized, as a result of these closures:

Year	Victoria Village Community Centre	Maple Avenue Youth Centre	Total
2012	\$ 123,000	\$ 140,000	\$ 263,000
2013	126,000	55,000	191,000
2014	29,000	69,000	98,000
2015	382,000	0	382,000
<b>4-Year Total</b>	<b>\$ 660,000</b>	<b>\$ 264,000</b>	<b>\$ 924,000</b>

Skating Program Partnerships

In late 2011, representatives from the Recreation Services Department and the Barrie Skating Club met to discuss the Club's programs, and their concerns related to the City of Barrie providing competing instructional skating programs. At the time, Recreation Services was reviewing the alignment of its programs as part of the early stages of the Service Review. At the conclusion of these meetings, and the services alignment review, staff recommended in the final Service Review Report that the operation of instructional skating programs should be transferred to the Barrie Skating Club.

In September of 2012, the Barrie Skating Club assumed all instructional skating lessons within the City of Barrie's recreational facilities. While initial concern was received

from residents with respect to the fees charged by the Barrie Skating Club for their instructional skating lessons, the new program offers considerable benefits – including longer weekly classes, a longer season, nationally certified coaches, and a yearly membership in Skate Canada. The concerns and the benefits of the Barrie Skating Club's program, and the new method of service delivery, were explained to City Council through an October, 2012 memorandum from the Director of Recreation, Facilities and Transit.

Recreation Services recently reviewed this partnership with the Barrie Skating Club, following the completion of the first season. By all accounts, the relationship has yielded positive results for both parties, in comparison to 2011.

**City of Barrie**

**Barrie Skating Club**

September 2011 to April 2012	
Revenue from Barrie Skating Club	\$97,000
Net Revenue from City-operated skating programs	\$66,000
<b>\$163,000</b>	
September 2012 to April 2013	
Rental Revenue from Barrie Skating Club	\$117,000
Additional Rental Revenue from Surplus Prime-Time Ice (to other organizations)	\$100,000
<b>\$217,000</b>	
Net Increase	
<b>+ \$54,000</b>	<b>+ 33.1 %</b>

Total CanSkate members	
in 2011-12:	192
in 2012-13:	720
Total club membership	
in 2011-12:	340
in 2012-13:	910
Total CanSkate registrations (including re-registrations):	1,300
Spring CanSkate registrations	
in 2012:	45
in 2013:	200
<ul style="list-style-type: none"> <li>• Program success has allowed BSC to provide additional volunteer-credit hours to over 20 high school students.</li> <li>• Increased membership has also lead to the hiring of additional coaches, typically high school or post-secondary students</li> </ul>	

### Facility Operations & Maintenance Savings

While the Service Review focused largely on the cost associated with the delivery of recreation programs, opportunities to realize savings related to the operation and maintenance of the Barrie's recreation facilities are constantly being identified and acted on. It takes a lot of energy to provide the lighting, heating and cooling required by these large facilities, where ice needs to be kept frozen while pools are kept warm. With rising energy costs in Ontario in recent years, significant investments have been made by the City of Barrie in projects which have reduced the consumption of electricity, natural gas, and water within our recreational facilities.

Lighting upgrades have been made at within the City's arenas, gymnasiums and pools, which have significantly reduced the consumption of electricity. Heat recovery systems have been installed at Allandale Recreation Centre which allow both pool and shower water to be heated by "waste heat" generating by the refrigeration system, reducing the amount of natural gas previously required to heat this water. Boiler upgrades have been completed, and more are planned, to replace older equipment with modern system that are not only more efficient, but have reduce maintenance costs. These initiatives, and others, have reduced electrical consumption by 850,000kWh/year resulting in a cost avoidance of \$325,000 since they were implemented. This energy savings is equivalent to the electricity required to power 125 homes for an entire year.

In 2012, operation and maintenance of the City's recreation facilities accounted for just over 60% of the total cost of providing recreation within the City of Barrie. Any savings which can be achieved against these fixed costs will have a positive impact on the cost recovery rate for all of the activities and programs which use the space. For these reasons, it is important that additional savings opportunities continue to be pursued in the operation and maintenance of the City's recreation facilities.

### Additional Revenue Opportunities

Over the past year, Recreation Services has implemented a number of new initiatives aimed at realizing revenue from new sources. New special event sponsorships have been established, including \$10,000 from Pepsi for the "Lawnchair Luminata" program, \$15,000 from RBC Royal Bank for Family Day activities, and \$5,000 from the Rotary Club in support of a new adult "Swim to Survive" program. Additionally, a new contract for digital media sponsorship will see \$24,500 in new guaranteed revenues provided to Recreation Services in 2013, with this amount increasing by \$5,000

in each of the next 5 years. While these initiatives are not strictly cost savings, they are an important way to reduce the cost of recreation programs and events, thereby expanding the number of participants for which the program is provided, improving the cost recovery rate for these activities, or reducing the fee charged to participants.

### **3.3 Marketing, Promotion, & Participation Initiatives**

#### Launch of RecACCESS Fee Assistance Program

In June of 2012, Council provided the following direction with respect to a fee assistance program, as identified by the Service Review:

#### **Direction from Council:**

"That staff be authorized to implement a recreation access assistance program effective January 2013 that enables eligible individuals and families access to recreation services by using surplus capacity spots at no additional cost to the City."

*Derived from Motion 12-G-126 adopted by Barrie City Council on June 4, 2012*

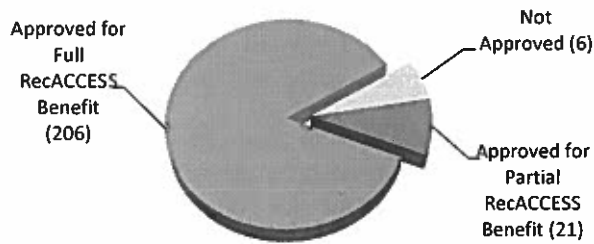
In January 2013, Recreation Services launched RecACCESS – a new fee assistance program intended to ensure all residents are provided an opportunity to participate in recreation programs and activities regardless of their financial situation. RecACCESS provides support to low-income families and individuals who wish to participate in activities offered by the Recreation Services Department, by providing qualifying participants with credits, which can be applied to the registration fee for qualifying programs and activities.

The RecACCESS process has been designed on the principles of access, equity, and privacy, and involves a discreet application process prior to program registration. Interested participants submit an application, which includes information related to their financial and family situation. It is then assessed against established standards to determine eligibility.

By applying controls to the program utilization rules within the recreation registration system, RecACCESS participants are permitted to register for programs and activities at the same time as full-paying participants, rather than having to wait until surplus spaces are identified. At the same time, these controls mean that a program only operates if sufficient full-fee paying participants are registered, thereby ensuring that RecACCESS opportunities are provided through surplus enrolment capacity only and at no additional cost to the

City. Since the March 5, 2013 public launch of the program, 227 applications for RecACCESS have been approved in less than two months:

**RecACCESS Applications Processed**  
(as of April 30, 2013)



Recreation Services staff has been monitoring the RecACCESS program closely, and will continue to adjust processes as necessary to ensure the program remains cost neutral and continues to maximize access to recreation for those in financial needs.

Neighbourhood Teams Staffing Model

In the Fall of 2012, the Recreation Programs Branch altered its staffing model to be better organized around the neighbourhoods and facilities where recreation opportunities are provided. As outlined in a November 12, 2012 memorandum to City Council from the Director of Recreation, Facilities and Transit, program staff members were realigned into three new neighbourhood teams based at the Allandale Recreation Centre, the East Bayfield Community Centre, and the Holly Community Centre. While previously, the program branch was organized into teams with responsibilities for different activities city-wide, this new model created teams for Aquatics, Community Programs, and Fitness at each of the major multi-purpose recreation facilities, with a Program Supervisor responsible for each neighbourhood team.

This new staffing model has given the recreation program staff a new community-focus, developing events and activities that are specific to the needs of each unique area. The benefits of this new approach have already been seen through dozens of new larger scale community special events and initiatives:

<b>Allandale Neighbourhood Team</b>
<ul style="list-style-type: none"> <li>• Allandale Community Fall Fling</li> <li>• Scott Woods "Traditional Christmas" Concert</li> <li>• Increased 55+ Centre Programming</li> </ul>
<b>East Bayfield</b>

<b>Neighbourhood Team</b>
<ul style="list-style-type: none"> <li>• Community Centre Open House</li> <li>• "Halloween Thriller" School Partnerships</li> <li>• New "After-School Club" Programming</li> <li>• "Nerf Wars" Family Event</li> </ul>

<b>Holly Neighbourhood Team</b>
<ul style="list-style-type: none"> <li>• National Youth Week "Teens vs. Police" Dodgeball Event</li> <li>• Holly Meadows "Fitastic Fridays" Partnership</li> <li>• Easter "EGGstravaganza"</li> </ul>

<b>City-Wide Initiatives:</b>
<ul style="list-style-type: none"> <li>• Increased Holiday-Weekend Programming</li> <li>• Expanded RBC Family Day Programming</li> <li>• New partnership with the Rotary Club to provide free adult "Swim to Survive" lessons</li> <li>• Expanded "Loonie Swim" Schedule</li> <li>• "Lawnchair Luminata" expanding to all 3 Community Centre's in Summer 2013</li> <li>• January 2013 Fitness Childcare Promo</li> <li>• Expanded Recreation Membership offerings, including Corporate Discount Program, and Barrie Police Services discount</li> </ul>

Registration Process and Guide Improvements

In August of 2012, Recreation Services introduced significant improvements to the 2012 Fall and Winter Program Guide. By reorganizing activities into more functional groupings, registrants were better able to cross-reference the activity with the intended age group. These improvements were well-received by residents, as they greatly simplified the process of identifying program options.

Also for the first time in 2012, functionality was added to the online registration system at [www.barrie.ca](http://www.barrie.ca) to allow users and families to create new accounts. Previously, new residents and first-time registrants had to contact Recreation Services via telephone, or in person at one of the community centres, to create an account. Since this step needed to be done before online registration could be completed, it was the source of great frustration for many, and complicated a process that was otherwise intended to be convenient. The new online registration process also reduces the time required for staff to perform this activity.

Significant improvements will also come shortly to the Class registration system, through the migration of this system to a hosted-server solution. Locating the system on secure, shared servers provided by the system vendor will allow it to better respond to the scalable infrastructure requirements of peak registration, while relieving pressure on the City of Barrie's internal information network. This solution should provide better

reliability and performance for registrants, while significantly reducing the support resources required from the City's Information and Communications Technology (ICT) Department. In conjunction with ICT, the planning process has been ongoing for close to a year, and the migration is scheduled to take place in May 2013.

**Improvements to Marketing & Communications**

In an effort to identify new ways to reach a greater number of potential recreation participants, Recreation Services has increased collaboration with the City of Barrie's Corporate Communications Department. Among other benefits, these efforts have resulted in the increased use of social media, such as Facebook and Twitter, and have included trial promotions through these medias. Recreation Services is currently working with Corporate Communications to develop 52-week marketing strategy plans for various recreation program product areas. These strategies will improve the coordination of previously segregated marketing activities for each product group, which will be better integrated with all of the various communications platforms used by the City – including social media, print, radio, and television.

Source: www.wagjag.com/barrie

**Review of Memberships**

Through both the service alignment process and the activity-level cost analysis, memberships were identified as an area with growth potential for Recreation Services. While enrolment numbers have always been healthy, staff felt there was a significant opportunity to grow membership revenues with little additional cost. Over the past year, staff have initiated several membership-related promotions in order to better assess which methods might be most successful for achieving growth.

In Spring 2012, Recreation Services ran a promotion through Wag Jag (a popular international promoter of local discount opportunities), offering a one-month fitness membership for 52% off the regular price. The Wag Jag promotion was a great success, with the fitness pass purchased by 88 users. More importantly, as a pilot-project, it opened the doors to a new world of promotional possibilities for Recreation Services. A similar promotion offered through the City of Barrie's Facebook page in January also yielded positive results – with 60 residents purchasing new one-month fitness passes.

Corporate membership discounts, similar to the discounts long-offered to City of Barrie employees, were extended to individuals at organizations within the City of Barrie with 25 or more employees. Interest in this promotional program has been initially very high, with a nearly a dozen large employers contacting Recreation Services to enquire and 11 new individual memberships purchased during the first month of the program.

In an effort to assess the potential of bundling membership fees with registered program activities, in April of 2013 Recreation Services ran a pilot series of "At Work" fitness classes for employees at City Hall. Lunch time and after-work classes were offered at normal fees of \$45 to \$68 – however these program fees were waived with the purchase of a new recreation membership. Enrolment in these pilot classes has been positive with 49 participants, and the benefits of the bundling approach affirmed with and 12 people purchasing a new 1-year fitness membership.

In conjunction with these promotional pilot projects, staff has also initiated a review of the fee structures in place for the various memberships offered. These efforts are focused on simplifying our membership offerings, by reducing the dozens of possible memberships which are currently available based on a wide range of activity combinations and demographic qualifications. In the coming months, marketing campaigns will also be introduced to more clearly communicate the benefits of a recreation membership, and all of the activities that it offers access to.

### 3.4 Program Offerings & Utilization Optimization

#### Program Review Process Improvements

In an effort to increase the quality of recreation programs offered, and to focus resources on the best performing activities, staff has begun significantly improving the program review and development process. This important process leads to the ultimate decision of what activities and programs will be offered in future sessions and how much of each will be scheduled. Pulling together survey feedback, staff observations, financial information, and the extensive amount of detailed information in the Class registration system, staff can make informed, data-driven programming decisions.

While the Service Review initially recommended conducting a utilization review every 2 years, customized reports have been developed for the Class registration system mean to allow this analysis to take place in real-time. Program utilization reviews are now undertaken a number of times leading up to a new session, and again as the session is beginning – to provide real-time guidance on programs that should be cancelled, rescheduled, or otherwise adjusted.

#### Master Calendar and Central Planning

Recreation program development is a year-round process that begins many months before the first session of any activity, and extends many months after the last. For example, Fall and Winter programs that run from September through March, appear in the Recreation Guide, which is delivered to residents in August of each year. In order to meet printing deadlines in July, the brochure design must be finalized in June and reflect program decisions that must be made by May. The program review process, which leads to deciding what programs will be run, begins in March – in many cases this is before the last Fall and Winter activities have finished. At any given time, similar processes are also underway for the Spring and Summer sessions, and for camps and holiday programming.

With so many complex and overlapping processes, a long lead-time between decision and implementation is often required – making it critical for all staff to understand when and how decisions can be made to bring about change and implement improvements. In order to better understand these processes, staff has begun to develop a Master Departmental Calendar, which will lead to a better understanding of how the various planning processes interact and influence each other. The calendar will also provide for the better coordination of interdependent planning activities, such as the community group facility allocation process, the program development process, and facility rental deadlines. The development of the Master Calendar is the first step in what will be a longer process-mapping initiative for the Recreation Services Department.

#### Increased Community Consultation and Opportunities for Feedback

Building on the “Your Play Your Say” survey, which was introduced during the fitness program review, staff has developed an online tool for participants to provide feedback regarding the City of Barrie’s recreation programs and facilities. While initially developed for focused and periodic use, the survey has been refined into a post-program feedback tool targeted at all participants and has been made accessible through [www.barrie.ca](http://www.barrie.ca).



All of the recreation programmers have access to the survey data and can use customized filters to identify feedback related to specific activities, program areas, or facility components. A review of these results has been incorporated into the expanded post-session review process, and quarterly reports are being prepared by program staff in different areas for presentation and review with the Recreation Services management team.



## Part 4:

# Areas for Further Investigation and Action

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The development of an effective pricing strategy methodology is undoubtedly the single most important achievement from the Recreation Facilities & Programs Service Review. Work to refine these important processes and tools will continue, in order to ensure it continues to provide even better pricing and cost guidance to Recreation Services.

In addition, observations gained from implemented the pricing strategy and the data analysis undertaken over the past year, have already revealed priority areas where future efforts will lead to improved cost recovery, better utilization, increased participation, and a more efficient delivery of services areas. The following sections provide an overview of some of the priorities which will be pursued in the coming year.

### 4.1 High Utilization and Low Cost Programming

The most common goal of every recreation program, whether stated as a priority or not, is to increase participation within the municipality it serves. Beyond the obvious health benefits that are realized by a community that actively participates in recreation, increased recreation participation is also often seen as the cure, or answer, to whatever financial challenges may exist. But contrary to this popular belief, cost recovery cannot be improved through increased participation alone.

In the business world, where performance is largely based on sales, the most prevalent goal for improvement and growth is increased sales. Though it's easy to assume that the same principle would apply to municipal services, there is an important distinction between traditional businesses and a municipal operation that makes this assumption untrue. While businesses sell products and services for more than the cost of producing them, most municipal services are subsidized by tax dollars, with user fees set below the full cost of the service. As such, selling more of a subsidized product without increasing the cost recovery rate or reducing the subsidy level only worsens the net cost situation. If Recreation Services is only focusing on participation levels, without focusing on cost reductions, the total cost to the City of Barrie could continue to increase, even as registration revenues grow.

Considering the above noted factors, the conclusion is simple: while participation growth is important and will always be pursued, the focus has to be on reducing costs first. This will mean identifying additional opportunities for savings in the operation of our

recreation facilities, finding ways to decrease delivery costs for popular programs and those with high community and individual benefits, and continuing to re-evaluate programs that are unnecessarily drawing on resources with little benefit.

Efforts in this area are already being increased, with a more rigorous program assessment and approval process being used for the ongoing development of the 2013 Fall and Winter session. Guided by cost recovery data, utilization rates, and the Service Alignment Matrix, staff has been working to streamline program offerings to focus on those activities that yield better performance or have the potential for improvement, and away from programs which have historically underperformed. Since every planned activity needs to be assigned a time and space within a recreation facility, the elimination of these some underperforming programs will free up time and space for additional occurrences of more popular and better performing programs. Aside from increasing participation and utilization for these activities, focussing the recreation programs offered will also reduce the costs associated with planning and developing programs that are ultimately cancelled.

### 4.2 Building on Strong Community Partnerships

While the bulk of the Service Review focused on those recreation programs developed and provided by Recreation Services, the review also identified the importance of recreation opportunities provided by community organizations through the City's facilities. In recent years, Recreation Services has developed hundreds of important partnerships with external community organization, many who deliver recreation activities and programs on behalf of the City of Barrie. These partnerships include:

#### Examples of Community Partnerships:

- Barrie Royals Basketball Club
- Barrie Elites Volleyball Club
- Barrie Yacht Club
- Barrie Skating Club
- Barrie Community Tennis Club
- Tornado Lacrosse Club
- ProStar Lacrosse
- Barrie Tae Kwon Do Club
- MacLaren Art Centre
- Talk is Free Theatre
- + Dozens more

Beyond these partners, there is a larger category of independent community groups who rent space within the City's recreational facilities, but with whom Recreation Services has no formal or informal partnership. In many cases, the relationship between Recreation Services and these community groups is similar to that of a landlord-tenant, extending no further than the Department providing the requested facilities, and the community group providing the required fee. In 2012, facility rentals to community organizations and individuals totalled 25,789 (including pools, arenas, gymnasiums, and meeting rooms), accounting for just over 25% of the total hours of recreation provided within the City's facilities.

Opportunities should be identified to better support these community groups, and the programs they currently offer, through the resources and expertise already present within Recreation Services. Conversely, as major users of the City's recreation facilities, these community groups likely also have observations and feedback which could improve the services delivered provided by Recreation Services. As a starting point, the relationship with some of these community groups should begin well before they contact the Recreation Services Department for space, and should extend well after they arrive to use the space. These efforts could begin with regular meetings with community groups to seek input and feedback on the department's processes. Beyond providing a higher level of support to, and seeking a higher level of input from, these non-partner community groups, opportunities likely exist to develop new, mutually beneficial partnerships.

As once again evidenced by recent success of the new partnership with the Barrie Skating Club, Recreation Services should identify and pursue additional opportunities to expand its relationships with both existing community partners, and new ones. While these partnerships may allow for an alternate delivery of programs already offered by the Recreation Services, perhaps more importantly they could create new recreation opportunities and the potential for rental revenue through additional community use of the City's recreation facilities.

### **4.3 Increasing Data-Based Decision Making**

The Service Review and associated cost analysis exercise have laid a solid foundation for Recreation Services upon which it will take the next step in its evolution: as a department that makes sound decisions based on thorough data analysis.

The activity-level costing analysis was an important first step towards understanding what makes up the cost of providing recreation, and this process needs to be

continuously improved and further refined. However, the frequency with which this exercise can be completed is limited by the capabilities of the City of Barrie's current financial system. The entire cost analysis undertaken for the Service Review, including the breakdown of costs to the activity level was performed manually, mostly using Microsoft Excel, and stretched the limits of what is possible without more sophisticated software or systems.

When the City of Barrie replaces its financial system with a modern Enterprise Resource Planning system, Recreation Services has identified the need to ensure this system, possibly in conjunction with others, can integrate the cost and revenue information with program registration and activity information. This integration will be critical to continuing the analysis of recreation costs at an activity-level.

Recreation Services has long benefited from having an extensive amount of data available through its registration system, and staff is now finding new ways to identify trends within the data and for this information to guide decision making. But while an extensive amount of data is recorded in our current Class registration system, the analysis capabilities of the system currently limit how this data can be used. The Class system was purchased by the City of Barrie in 1998, and over the past 15 years it's functionally has remained largely unchanged. The system vendor – Active Networks – recently announced that the final version upgrade for Class will be made available in the Fall of 2013 and, while a specific date has not yet been set, they anticipate ending technical support for the system within a couple of years. In the coming months, Recreation Services plans to investigate alternatives which could better meet current and future registration system needs, in conjunction with ICT.

To guarantee that the data in the registration system is sound, Recreation Services must ensure that its processes promote the accurate recording and reporting of participation. The Service Review process identified a number of shortcomings in the data collection process, particularly in the area of tracking drop-in activity participation. In the months since, staff has already begun working to improve the integrity of the participation and registration data through process improvements. While this process will continue, other improvements to data integrity may require larger process changes and/or physical changes in order to better track visitors and program participants at the City's recreation facilities.

In addition to analyzing who participates in the City's recreation opportunities, further investigation needs to be undertaken to identify who does not – and why. Recreation Services has begun to utilize the services

and tools available through organizations such as Environics to better understand the composition of our neighbourhoods and the recreation opportunities residents are looking for, as well as to best ensure our messages are reaching the largest number of people possible. In partnership with a student from Georgian College's post-graduate Research Analysis Program, a neighbourhood demographic profile for the area around the Allandale Recreation Centre is currently underway, and staff plan to conduct similar investigations to other areas of the city.

#### **4.4 Customer Service Strategy Development**

The Recreation Facilities & Programs Service Review identified that a customer service strategy should be

developed to ensure consistency across all programs and facilities. Since that time, the development of a corporate-wide customer service strategy has now been identified as a larger goal, led by the new Access Barrie department.

As an important stakeholder in this process, Recreation Services should work to ensure it has a strong role in the development of this strategy. With Client Services desks operating at three community centres dispersed across the city, these facilities may be able to play an important future role as "community hubs" in the delivery of customer service for the City of Barrie. This could include additional non-recreation services being provided through the Client Services desks, to even further increase their value.