Value for Money Review of Culture, Recreation and Parks Services

Final Report

City of Red Deer

KPMG LLP

—

October 5, 2021

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1.1 Value for Money Review

The City of Red Deer's (the City or CoRD) culture, recreation and parks services play an integral role in promoting quality of life for its residents. The City initiated a Value for Money (VFM) review of its Recreation, Culture and Parks service areas.

The City has experienced several changes in these service areas over recent years. These areas were part of a recent organizational restructuring, which moved the former Recreation, Parks and Culture department: Recreation and Culture services now sit under the Safe and Healthy Communities Department, while Parks services have been moved to the Parks and Public Works Department. All three service areas remain within the Community Services division. As these are distinct service areas post re-organization, these services are no longer referred to as Recreation, Parks and Culture as they were prior to the re-organization. This demonstrates the shift to the new structure.

The City has also experienced change in terms of the ecosystem in which it operates to deliver these services. There are many new service providers in the market, both private and not-for-profit, who offer similar services.

Given these changes, the City's focus on continuous improvement through VFM Reviews and the large proportion of the City budget that these services encompass, the City requested a review for these service areas. Although not a primary driver behind initiating this review, the impacts of the COVID-19 pandemic are certainly considerations for the current and future operating context of these services. The City engaged KPMG in April 2021 to conduct a VFM review to provide an understanding of the current value delivered by these identified service areas, as well as opportunities to improve their value to the City and its residents.

1.2 Evaluation of Service Delivery

To evaluate the current value received in the delivery of services, the City's VFM Framework was tailored specifically for recreation, culture, and parks services to meet the objectives of this review. Criteria were defined and evaluated for each value lens. The full Evaluation VFM Framework developed for the project can be found in Appendix A (page 95).

An evaluation by each framework component has been completed and is summarized in the table below.

Table 1: Value for Money Evaluation

Criteria	Evaluation
Effectiveness 👍	**Parks** **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. **Recreation** **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. Overall usage in recreation is declining which may indicate a need to better align service provision with changing demands. **Culture** **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. Overall usage in culture is declining which may indicate a need to better align service provision with changing demands.

Criteria	Evaluation
Economy	**Parks** **Criteria for economy are partially met.** While service costs are relatively stable, park land maintenance cost per capita is higher than comparators. **Recreation** **Criteria for economy are partially met.** While service costs are relatively stable, recreation facility cost recovery is low. There are challenges with the long-term sustainability of the Fee Assistance Program, suggestive of greater reliance on municipal taxes. **Culture** **Criteria for economy are partially met.** There are challenges with the long-term sustainability of the Fee Assistance Program, suggesting greater reliance on municipal taxes.
Efficiency	**Parks** **Criteria for efficiency are partially met.** Costs per hectare for actively maintained park land are lower than comparators. Stakeholders report that there is a lack meaningful integration between Parks and Development that may be contributing to a higher cost to maintain parks. **Recreation** **Criteria for efficiency are partially met.** Most recreation facilities have stable operating costs per participant. Recreation is experiencing an increase in its operational costs per program hour. **Culture** **Criteria for efficiency are partially met.** Stakeholders report some challenges related to inter-departmental coordination in support of events.
Fairness	**Parks** **Criteria for fairness are mostly met.** Stakeholder satisfaction with services is generally high. Parks does not use a consistent City-wide approach to working with Partners. **Recreation** **Criteria for fairness are mostly met.** Stakeholder satisfaction with services is generally high, and fees are more affordable relative to other jurisdictions. The long-term financial sustainability of the Fee Assistance Program may put the City's ability to provide fair access at risk and may indicate greater reliance on municipal taxes to fund services. Recreation does not use a consistent City-wide approach to working with Partners.

Criteria	Evaluation
	Culture **Criteria for fairness are mostly met.** Stakeholder satisfaction with services is generally high, and fees are more affordable relative to other jurisdictions. The long-term financial sustainability of the Fee Assistance Program may put the City's ability to provide fair access at risk and may indicate greater reliance on municipal taxes to fund services. Culture does not use a consistent City-wide approach to working with Partners.
Environment	**Parks** **Criteria for environment are mostly met.** Parks appears to support the City's strategic goals, but there may be opportunities to further define and measure outcomes. Further role clarity around supporting these goals and outcomes may be required. The City is delivering a higher level of service in Parks than many of its comparators. This may be consistent with the City's desired outcomes but is also a significant driver of service costs. **Recreation** **Criteria for environment are mostly met.** This service area supports the City's strategic goals, but there may be opportunities to further define and measure outcomes. Further role clarity around supporting these goals and outcomes may be required. **Culture** **Criteria for environment are mostly met.** This service area supports the City's strategic goals, but there may be opportunities to further define and measure outcomes. Further role clarity around supporting these goals and outcomes may be required.

Source: Prepared by KPMG.

1.3 Recommendations

Through the analysis of the current state data, the benchmarking conducted and engagement with internal and external stakeholders, several opportunities were identified to potentially improve value for money in the areas of culture, parks, and recreation. These opportunities were assessed against a prioritization framework that considered the ease of implementation and the estimated benefit. Based on the prioritization, the following recommendations have been made to the City.

The recommendations have been organized across four proposed work streams: Program and Service Level Changes; Strategic Guidance and Decision Making; Operational Efficiency; and Sustainability of Service Delivery. The recommendations also include high-level information on the prioritization assessment and additional considerations.

Table 2: Strategic Guidance and Decision Making – Recommendations Summary

Strategic Guidance and Decision Making				
Opportunities aiming to address foundational objectives, outcomes and measures that inform service area governance				
Recommendation	VFM Lenses	Ease of Implementation	Potential Benefit	Considerations
The City should consider **developing a Community Services Master Plan** to provide guiding direction.	**Effectiveness** **Environment**	**Moderate**	**High**	Value in benefits cascading through strategic alignment of multiple service areas.
The City should consider **developing a partnership framework** to guide third-party relationships.	**Effectiveness** **Fairness** **Environment**	**Easy**	**Medium**	Improved transparency and consistency in the approach to new and existing partnership in support of strategic goals.
The City should consider **enhancing the way data is collected and used to inform effective decision making.**	**Efficiency** **Environment**	**Easy**	**Medium**	Supports measurement of desired outcomes and evidence-based continuous improvement going forward.
The City should consider **developing Master Plans and strategic guidance for recreation services.**	**Effectiveness** **Environment**	**Moderate**	**High**	Benefits to inform operational decision making.
The City should consider **developing Master Plans and strategic guidance for culture services.**	**Effectiveness** **Environment**	**Moderate**	**High**	Benefits to inform operational decision making.
The City should consider **developing Master Plans and**	**Effectiveness** **Environment**	**Moderate**	**High**	Benefits to inform operational decision making.

Strategic Guidance and Decision Making				
Opportunities aiming to address foundational objectives, outcomes and measures that inform service area governance				
Recommendation	VFM Lenses	Ease of Implementation	Potential Benefit	Considerations
strategic guidance for parks services.				

Source: Prepared by KPMG

Table 3: Program and Service Level Changes – Recommendations Summary

Program and Service Level Changes				
Opportunities relating to changing the level of service provided to residents and / or the City's role in direct service delivery				
Recommendation	VFM Lenses	Ease of Implementation	Potential Benefit	Considerations
The City should consider **reducing service levels related to Tree Maintenance**.	**Economy**	**Easy**	**Low**	There are potential reputational risks due to decreased levels of service.
The City should consider **reducing service levels on maintained park land.**	**Environment**	**Easy**	**Medium**	There are potential reputational risks due to decreased levels of service.
The City should consider **leveraging market provision of services.**	**Economy** **Efficiency**	**Moderate**	**Medium**	Strategic alignment with supporting local organizations in meeting residents' needs. Current level of detail on program costs limits the ability to project potential benefits.
The City should consider **increasing the naturalization of existing park land.**	**Efficiency**	**Moderate**	**Medium**	There is a history of potential reputational risks to be mitigated through significant communication efforts.

Source: Prepared by KPMG.

Table 4: Sustainability of Service Delivery – Recommendations Summary

Sustainability of Service Delivery				
Opportunities targeting improvements to economic viability of service areas to ensure longer-term effectiveness				
Recommendation	VFM Lens	Ease of Implementation	Potential Benefit	Considerations
The City should consider **exploring the formation of reciprocal use agreements with local jurisdictions.**	**Economy**	**Moderate**	**High**	Time and resources required to build valuable and effective intermunicipal relationships.
The City should consider **increasing cost recovery for sports field maintenance.**	**Economy**	**Moderate**	**Low**	There are potential reputational risks due to decreased service levels and/or increased share of user fees.
The City should consider **redesigning the Fee Assistance Program (FAP) for sustainability and increased equity.**	**Effectiveness** **Economy** **Fairness**	**Moderate**	**Medium**	There is a high degree of risk involved with impacting vulnerable populations.
The City should consider **refining its recreation and culture revenue model.**	**Fairness**	**Moderate**	**High**	There are potential reputational risks surrounding user fee increases.
The City should consider **exploring revenue generation opportunities in parks.**	**Effectiveness** **Economy** **Environment**	**Moderate**	**Medium**	There are potential risks around public perception, however it may increase services provided in parks.

Source: Prepared by KPMG.

Table 5: Operational Efficiency – Recommendations Summary

Operational Efficiency				
Opportunities focusing on increasing coordination or removing barriers to the optimal use of existing resource				
Recommendation	VFM Lenses	Ease of Implementation	Potential Benefit	Considerations
The City should consider **exploring the formation of reciprocal use agreements with institutions.**	**Efficiency**	**Moderate**	**Medium**	Time and resources required to build valuable and effective institutional relationships.

Sustainability of Service Delivery				
Opportunities targeting improvements to economic viability of service areas to ensure longer-term effectiveness				
Recommendation	VFM Lens	Ease of Implementation	Potential Benefit	Considerations
The City should consider **enhancing coordination between Parks and City Planning departments**.	**Economy** **Efficiency**	**Easy**	**Medium**	Limited effort required to formalize a more effective working relationship.
The City should consider **standardizing its partner contracts and agreements.**	**Efficiency** **Fairness**	**Easy**	**Medium**	Improved efficiency, accountability, and consistency across the partnership portfolio.
The City should consider **clarifying the roles and accountabilities in service delivery.**	**Effectiveness** **Efficiency**	**Easy**	**High**	Limited effort required to formalize more effective working relationships and improve internal service quality.
The City should consider **clarifying internal roles and increase coordination to support the events strategy.**	**Effectiveness** **Efficiency**	**Easy**	**High**	Reach across various departments adds complexity. Supports capacity building in service of City's strategic goals.

Source: Prepared by KPMG.

1.4 **Conclusion**

The City's VFM Review of Recreation, Culture, and Parks service areas has identified a number of areas where the City currently delivers value, as well as opportunities to potentially increase value for money, across the lenses of effectiveness, economy, efficiency, fairness, and environment.

In reviewing multiple sources of information and in consultation with both internal and external stakeholders, KPMG has provided a series of recommendations for the City to explore. Ultimately, it is within the City's discretion if, when, and how opportunities are pursued. Further details on implementation considerations for previously outlined work streams can be found in Section 6: Implementation Roadmap on page 81.

2 Overview

2.1 **Value for Money Review**

The City of Red Deer's (the City or CoRD) culture, recreation and parks services play an integral role in promoting quality of life for its residents. In the recent years, since establishing the Value for Money (VFM) Framework, the City continues to apply a value lens in decision making and has initiated a review of its recreation, parks, and culture service areas. It is noted that the VFM Framework is a tool for evaluating performance and, while a useful consideration, it does not directly inform the identification of goals, objectives and outcomes when planning programs and services.

Key considerations for the review include:

— The City has placed an emphasis on continuous improvement and ongoing value for money reviews across City service areas;

— There is an evolving ecosystem of recreation in communities, including private recreation opportunities, and changing customer needs and wants; and

— These service areas make up a large proportion of the overall City budget, relative to other service areas;

— The impacts of a weakened local economy and several financial constraints for the City and its residents due to the COVID-19 pandemic.

The objectives of this review were defined by the City's Audit Committee, and include:

— Understanding the current value for money received by citizens through the delivery of the City's culture, recreation and parks functions, programs and services;

— Providing a balanced approach to considering efficiency, effectiveness, economy and innovation;

— Understanding the City's current programs and services, fees, and service delivery structure;

— Assessing how the City's culture, recreation and parks services compare to relevant jurisdictions and private sector providers, including fees, service delivery mechanisms and levels of service;

— Identification of best practices that could increase value for money in these services; and

— Establishing appropriate baselines and performance indicators for ongoing City use in assessing effective program and service delivery.

The City engaged KPMG in April 2021 to conduct a VFM review to provide an understanding of the current value delivered by these identified service areas, as well as opportunities to improve value for the City and its residents. The scope of this review included the following services under parks, culture, and recreation:

Table 6: Review Scope Detail

Parks	Culture	Recreation
Parks operations & maintenance (including cemeteries, amenities, etc.)	Culture & arts programming (registered programming, drop-in programming)	Recreation programming (registered programming, drop-in programming)
Outdoor facilities & sports fields maintenance	Cultural facilities management & operation	Recreation facilities & amenities (indoor and outdoor)
Parks animation & programming (outdoor programming, events, etc.)	Partnerships & contract management	Facility rentals & bookings (including user allocation processes)
Partnerships & contract management	Community development (fee assistance programming, grants, capacity building)	Partnerships & contract management
Parks planning, neighbourhood planning services	Community events (planning, logistics)	Community development (fee assistance programming, grants, capacity building)
Urban forestry & ecological services	Customer services	Community events & programs
Horticulture services		Customer services & facility assistance

Source: Prepared by KPMG.

2.2 Project Context

This VFM review was conducted in the context of several key influencing factors, such as COVID-19, recent restructuring, previous value for money reviews, changing demographics and an increased presence of external providers delivering services.

The City has recently undergone an organizational restructure, reducing the number of divisions reporting to the City Manager. The recreation, culture, and parks services areas were a part of this restructuring.

The organizational restructure saved the City approximately $7 million dollars, with an approximate reduction of 75 FTEs. As a result, the Recreation, Parks and Culture department is no longer a single department in the Community Services Division. Recreation and Culture services now sit under the Safe and Healthy Communities Department, while Parks services have been moved to the Parks and Public Works Department. This restructuring changed roles and accountabilities within the portfolios, including changes to facility operations portfolios, partnership management, and other operational changes. As these are distinct service areas post re-organization, these services are no longer referred to as Recreation, Parks and Culture as they were prior to the re-organization. This demonstrates the shift to the new structure.

The ecosystem of recreation, parks and culture services in the City is changing.

There are many community groups and private providers of leisure and recreation activities in Red Deer. At one time, the City was the sole or primary provider of certain niche fitness activities, like rock climbing, but the success of introductory programs has contributed to creating sufficient market demand to attract other providers. On the other hand, services such as ice rinks and sports fields have been relatively consistent with residents relying on municipal provision. Where there appears to be increased overlap in services provided, there are also questions regarding whether the City should compete with community and private providers to deliver services. Analysis of market provision is explored in more detail on page 32.

In addition, there are also numerous community groups, many of which the City currently partners with, who have direct relationships with, and insights from, recreation service users.

2.3 Data Limitations

This review relied upon data and information provided by the City to provide a baseline understanding of the current state, of performance relative to comparators, and to identify opportunities. The findings and opportunities identified in this report are constrained by the information provided to KPMG by the City and by other entities, such as those participating in the jurisdictional scan. Key limitations include:

- **Data availability**. In several instances, data to support the required analyses did not exist within the City. KPMG worked with the City to identify proxy data and validate any assumptions made. The City should consider undertaking additional work to identify data needs, as well as validating data used in the analysis before pursuing any of the opportunities.

- **Financial data**. The City was challenged to provide a level of financial detail that would have been ideal for some of the analysis. For example, the City was not able to compile detailed expenditures by recreation program, or to provide specific expenditures related to Parks operations across several categories, like Sports Field Maintenance. Some cost estimates provided by the City do not include all costs to deliver services, only direct costs that are tracked (i.e., the Urban Encampment Costs).

- **Comparator limitations**. KPMG requested benchmarking data from a series of jurisdictions identified by the City. This analysis was limited to the data and information provided by each of the jurisdictions.

2.4 **Review Approach**

This review was completed in four phases as summarized in Figure 1, designed to support the City's VFM review. This Final Report summarizes the key insights, findings, and recommendations that were identified throughout the course of this work.

This Final Report was developed using a variety of inputs to identify themes, isolate key findings and validate assumptions. Inputs to the report include the Phase 2 Current State Report, the Phase 3 Interim Report including benchmarking and practices research for identified comparator jurisdictions,[1] feedback provided by the Audit Committee, internal and external stakeholder interviews and group sessions, as well as relevant data analysis and document reviews. A complete list of stakeholders engaged is included in Appendix D (page 127).

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[1]*In the context of this review, the term "comparators" refers to the specific set of municipalities identified in the City's Request for Proposals. Those include similar-sized municipalities (Grande Prairie, Kelowna, Lethbridge, Medicine Hat, Saskatoon, and the Regional Municipality of Wood Buffalo), larger cities (Calgary and Edmonton) and neighboring municipalities (Blackfalds, Innisfail, Lacombe, and Sylvan Lake).*

Overview

Figure 1: Project Approach

1 Kick-Off	2 Current State	3 Evaluate & Prioritize	4 Report
OUTCOMES			
– Project kick-off with key stakeholders – Tailor criteria in value framework specific to these services – Validate the evaluation criteria in the Value Framework with the Audit Committee – Identify stakeholders and validate stakeholder engagement plan – Provide initial data and information request – Schedule / plan key project touchpoints	– Data and documentation review – Conduct initial stakeholder engagement to understand current state – Define services in scope of the review and profile services in terms of financials, FTEs, key assets and service outputs – Conduct stakeholder engagement, including external to obtain citizen / partner perspectives – Summarize current state – Initiate development of the recreation inventory for the Value Add Activity	– Conduct benchmarking to understand comparison to municipal benchmarks – Evaluate services against the criteria of the value framework – Conduct additional engagement as necessary to understand opportunities – Identify and prioritize opportunities to improve service value – Conduct a working session with Audit Committee to validate opportunities – Summarize opportunity prioritization – Incorporate benchmarking and develop dashboard	– Summarize prioritized opportunities and a high-level implementation plan in Draft Final Report – Submit for feedback and revise as necessary – Present Findings to Audit Committee (Council)
TIMING			
March 2021	March – May 2021	March – July 2021	August – October 2021
DELIVERABLES			

– Project Charter, including:
  – Data collection plan
  – Stakeholder engagement plan
	– Current State Analysis Report	– Interim Report on Opportunities & Prioritization	– Value-Add: Recreation Inventory
			– Draft Final Report
			– Final Report and presentation

Source: Prepared by KPMG.

This Final Report includes the:

- **Evaluation Against the Framework Component** which summarizes the analysis of the current state for each service area (Parks, Culture and Recreation) against the Criteria as defined in the Evaluation Framework;

- **Opportunities** which provides the detail on the key opportunities identified;

- **Prioritization** which includes the prioritization of opportunities by benefit and ease of implementation; and

- **Implementation Roadmap** which summarizes the key activities and considerations anticipated to implement the identified opportunities.

3 Evaluation Against VFM Framework

3.1 Evaluation Framework

The City's VFM Framework was designed to evaluate the performance of its municipal activities across five lenses: Effectiveness, Economy, Efficiency, Fairness and Environment as illustrated in the diagram below.

Figure 2: City of Red Deer Value for Money Framework
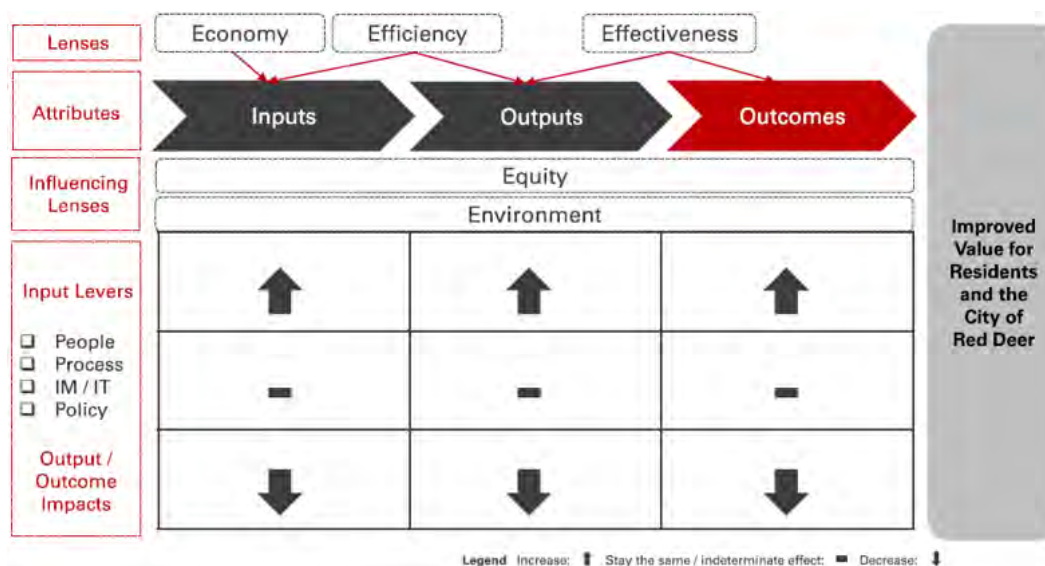
Source: Provided by the City of Red Deer.

The Review identified specific evaluation criteria and relevant metrics within each of the five lenses to evaluate recreation, parks, and culture services at the City. Department staff in these service areas were provided the opportunity to contribute input into the development of the evaluation criteria. The tailored Evaluation Framework is included in Appendix A: Evaluation Framework page 96. This section presents the metrics and key findings related to the City's ability to deliver value for money to residents in the service areas.

It should be noted that several of the Evaluation Framework considerations and metrics rely on access to complete data sets that reveal trends over time and benchmarked comparisons. Due to the onset of COVID-19 in March 2020, the City and each of the identified comparator jurisdictions experienced significant disruptions to services. This resulted in challenges obtaining recent relevant data for components of recreation and culture areas, such as programming and attendance, whereas as parks data appeared to be less impacted.

At the time of preparing this report, municipalities had only begun the gradual return to normal service levels. Given these constraints, several of the findings are based on trends from the years leading up to 2019.

3.2 **Evaluation Summary**

An evaluation of the overall Value for Money received in the delivery of these services was assessed using the Evaluation Framework. Overall, it appears that the City provides Value for Money in the delivery of Culture, Recreation and Parks services, but that there are key areas where value could be improved.

Key areas of strength include the lens of Fairness, due to the City's focus on accessibility of residents and users, both through affordable fees and through comprehensive programs like the Fee Assistance Program. In addition, Environment seems to be an area of strength as the areas support City objectives and provide a high level of service in doing so. This may in turn drive up costs, but overall cost to deliver service is relatively stable and is on pace with population and inflation growth.

An evaluation by each framework component was completed and summarized in the tables below. Detail on the evaluation can be found in Section 3.3 (page 19). Opportunities to improve value related to these lenses are described in Section 4 (page 45) of the report.

Table 7: Effectiveness Evaluation

Effectiveness Evaluation	Relevant Opportunities (see Section 4, page 45)
Parks **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. **Recreation** **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. Overall usage in recreation is declining which may indicate a need to better align service provision with changing demands. **Culture** **Criteria for effectiveness have not been met.** The service area does not have updated strategic documents or targeted guidance on its service provision. Overall usage in culture is declining which may indicate a need to better align service provision with changing demands.	— Redesign for Sustainability and Increased Equity of the FAP — Explore Revenue Generation Opportunities at Parks — Develop a Community Services Master Plan — Develop a Recreation Master Plan — Develop a Culture Master Plan — Develop a Parks Master Plan — Develop a Partnership Framework — Clarify Roles and Accountabilities in Service Delivery — Clarify Roles and Increase Coordination to Support Events Strategy

Source: Prepared by KPMG.

Table 8: Economy Evaluation

Economy Evaluation	Relevant Opportunities (see Section 4, page 45)
Parks **Criteria for economy are partially met.**	Reduce Tree Maintenance Costs

Economy Evaluation	Relevant Opportunities (see Section 4, page 45)
While service costs are relatively stable, park land maintenance cost per capita is higher than comparators. **Recreation** **Criteria for economy are partially met.** While service costs are relatively stable, recreation facility cost recovery is low. There are challenges with the long-term sustainability of the Fee Assistance Program, suggestive of greater reliance on municipal taxes. **Culture** **Criteria for economy are partially met.** There are challenges with the long-term sustainability of the Fee Assistance Program, suggesting greater reliance on municipal taxes. *Source: Prepared by KPMG.*	— Increase Cost Recovery for Sports Fields Maintenance — Redesign for Sustainability and Increased Equity of the FAP — Explore Revenue Generation Opportunities at Parks — Leverage Market Provision of Services — Explore Reciprocal Use Agreements with Local Jurisdictions — Enhance Coordination between Parks and City Planning

Table 9: Efficiency Evaluation

Efficiency Evaluation	Relevant Opportunities (see Section 4, page 45)
Parks **Criteria for efficiency are partially met.** Costs per hectare for actively maintained park land are lower than comparators. Stakeholders report that there is a lack meaningful integration between Parks and Development that may be contributing to a higher cost to maintain parks. **Recreation** **Criteria for efficiency are partially met.** Most recreation facilities have stable operating costs per participant. Recreation is experiencing an increase in its operational costs per program hour. **Culture** **Criteria for efficiency are partially met.** Stakeholders report some challenges related to inter-departmental coordination in support of events. *Source: Prepared by KPMG.*	— Reduce Tree Maintenance Costs — Increase Naturalization of Existing Park Land — Explore Reciprocal Use Agreements with Institutions — Enhance Coordination between Parks and City Planning — Standardize Partner Contracts / Agreements — Clarify Roles and Accountabilities in Service Delivery — Clarify Roles and Increase Coordination to Support Events Strategy — Enhance Data Collection and Usage for Effective Decision Making

Table 10: Fairness Evaluation

◯ **Fairness Evaluation**	**Relevant Opportunities (see Section 4, page 45)**
Parks	— Redesign for Sustainability and Increased Equity of the FAP
Criteria for fairness are mostly met.	— Refine Recreation and Culture Revenue Model
Stakeholder satisfaction with services is generally high. Parks does not use a consistent City-wide approach to working with Partners.	— Develop a Partnership Framework
Recreation	— Standardize Partner Contracts / Agreements
Criteria for fairness are mostly met.	
Stakeholder satisfaction with services is generally high, and fees are more affordable relative to other jurisdictions. The long-term financial sustainability of the Fee Assistance Program may put the City's ability to provide fair access at risk. Recreation does not use a consistent City-wide approach to working with Partners.	
Culture	
Criteria for fairness are mostly met.	
Stakeholder satisfaction with services is generally high, and fees are more affordable relative to other jurisdictions. The long-term financial sustainability of the Fee Assistance Program may put the City's ability to provide fair access at risk. Culture does not use a consistent City-wide approach to working with Partners.	

Source: Prepared by KPMG.

Table 11: Environment Evaluation

🌐 **Environment Evaluation**	**Relevant Opportunities**
Parks	— Reduce Service Levels on Maintained Park Land
Criteria for environment are mostly met.	— Explore Revenue Generation Opportunities at Parks
Parks appears to support the City's strategic goals, but there may be opportunities to further define and measure outcomes. Further role clarity around supporting these goals and outcomes may be required. The City is delivering a higher level of service in Parks than many of its comparators. This may be consistent with the City's desired outcomes but is also a significant driver of service costs.	— Develop a Community Services Master Plan
	— Develop Master Plan and Strategic Guidance for Recreation
Recreation	— Develop Master Plan and Strategic Guidance for Culture
Criteria for environment are mostly met.	
This service area supports the City's strategic goals, but there may be opportunities to further define and measure outcomes.	

🌐 Environment Evaluation	Relevant Opportunities
Further role clarity around supporting these goals and outcomes may be required. **Culture** **Criteria for environment are mostly met.** This service area supports the City's strategic goals, but there may be opportunities to further define and measure outcomes. Further role clarity around supporting these goals and outcomes may be required. *Source: Prepared by KPMG.*	— Develop Master Plan and Strategic Guidance for Parks — Develop a Partnership Framework — Enhance Data Collection and Usage for Effective Decision Making

3.3 Evaluation by Framework Component

The evaluation by each component of the Framework is detailed in the following section. Each section provides a summary of the insights identified by comparison against the indicators and supporting analysis.

3.3.1 Effectiveness

Effectiveness, in this context, refers to the achievement of outcomes in alignment with the City's Strategic Plan, department objectives, and "RISE" principles. Effectiveness is about achieving organizational goals, meeting defined levels of service or outputs, and "doing the right things".

3.3.1.1 *Criterion: Recreation, Parks and Culture (RPC) services result in an active, livable community that contributes to a high quality of life.*

Metrics considered:

- Strategic documentation by service area;
- Levels of service per capita by service type;
- Levels of stakeholder participation per capita; and,
- Usage of the Fee Assistance Program.

Strategic Guidance

The City does not have an updated set of Master Planning documents that provide direction to each of the respective service areas. In addition, the City also does not have a Community Services Master Plan that would lay the foundation for these documents and governs the interconnected nature of service delivery.

Updated strategic guidance for these service areas is a key gap in understanding the City's mandate for service delivery, and in overall service planning. Each of the areas have identified that they are missing critical, foundational documents that provide guidance to inform their overall direction and business decisions. Parks maintains several area or amenity specific planning documents but lacks a foundational document that provides guiding priorities across service delivered and that integrates all of these separate documents. The most recent Culture Master Plan is now 20 years old, and Recreation's last master plan was conducted in 1980. These strategic guidance documents no longer reflect the needs and aspirations of the community. The City has noted the need for updated master plans, and Council has made the decision to postpone these initiatives to incorporate key findings and results from this VFM review.

Recreation and Culture service areas currently use guiding principles from various documents to inform programming decisions, such as principles identified in the Recreation, Parks and Culture User Fees Guide and the City's Social Policy Framework. Industry standards are also used as guideposts to inform service planning currently, such as national Framework for Recreation in Canada, and the Active Alberta Policy.

Levels of Service

The City generally provides a comparable level of service relative to comparators. There are slightly higher levels of service delivered in areas, such as parks and some recreation facility types.

Red Deer provides more hectares of actively maintained park land per capita than its comparators (+32%), as depicted in Figure 3. The ratio of actively maintained to naturalized park land is evenly split (1:1), whereas comparators average more naturalized hectares for each hectare of actively maintained park land (1:1.3).[2]

Figure 3: Provision of Municipal Park Land (2021)
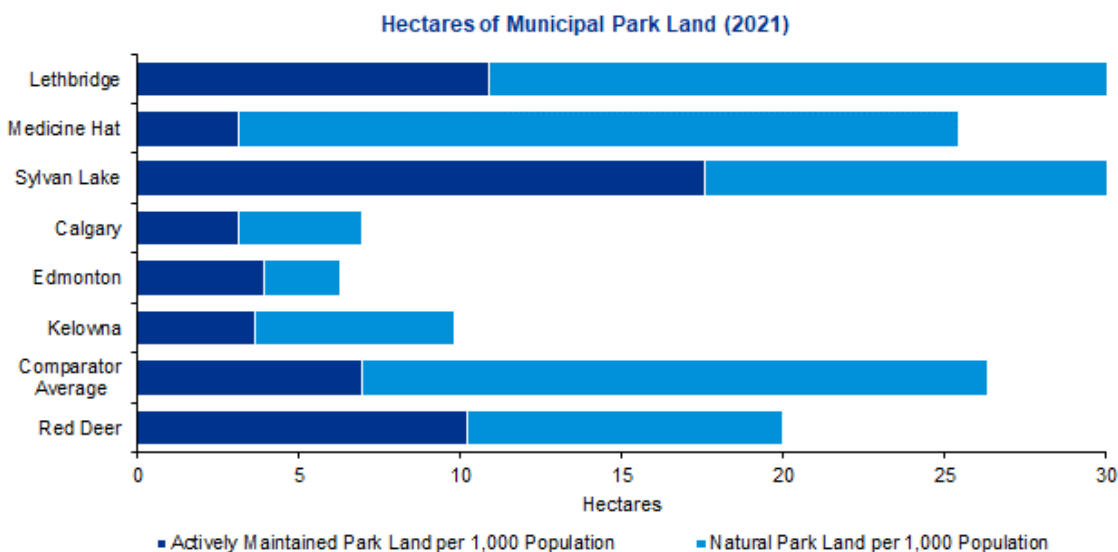
Source: Prepared by KPMG based on benchmarking data provided by the City and participating jurisdictions as well as the Yardstick Report 2021.

Based on benchmarking data, the City provides more outdoor sports fields, outdoor courts and ball diamonds per capita than the comparator average; for example, it provides close to three times the number of outdoor courts of its comparator average.

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[2] *Figure 37: Ratio of Natural to Actively Maintained Park Land (2021), Appendix B: Jurisdictional Scan, page 101*

Figure 4: Parks Amenities by Municipality
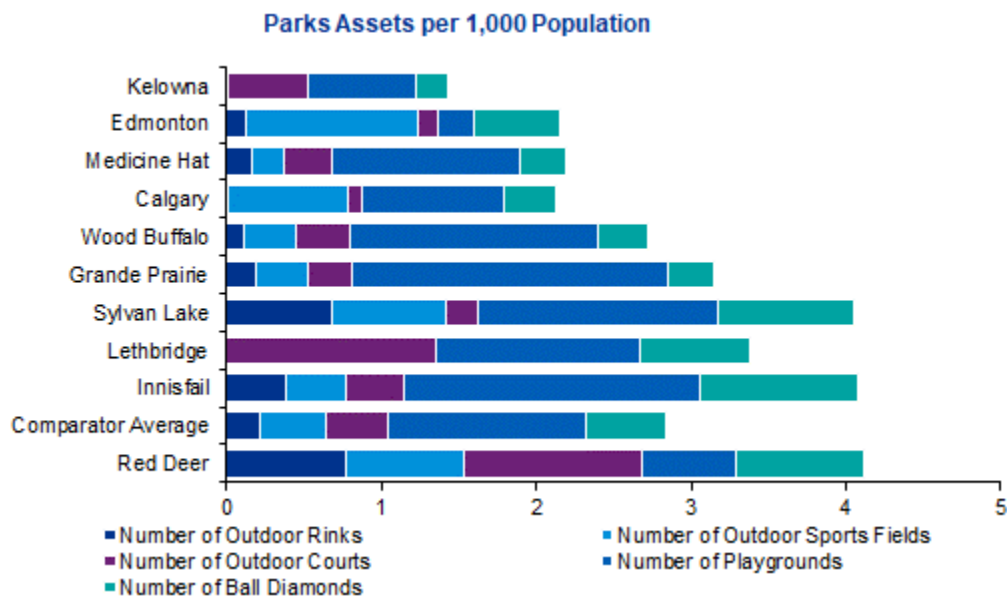
Parks Assets per 1,000 Population

Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions.

The City appears to deliver a comparable level of drop-in recreation and culture programming hours per capita. However, the comparator average for registered program hours per capita is nearly double that of Red Deer. It should be noted in Figure 5 that Calgary provides drop-in programming but was not able to provide data at the time this report was prepared. Sylvan Lake has a higher proportion of drop-in programming as it has found that this type of programming suits the needs of its population.

Figure 5: Total Program Hours Delivered (2019)
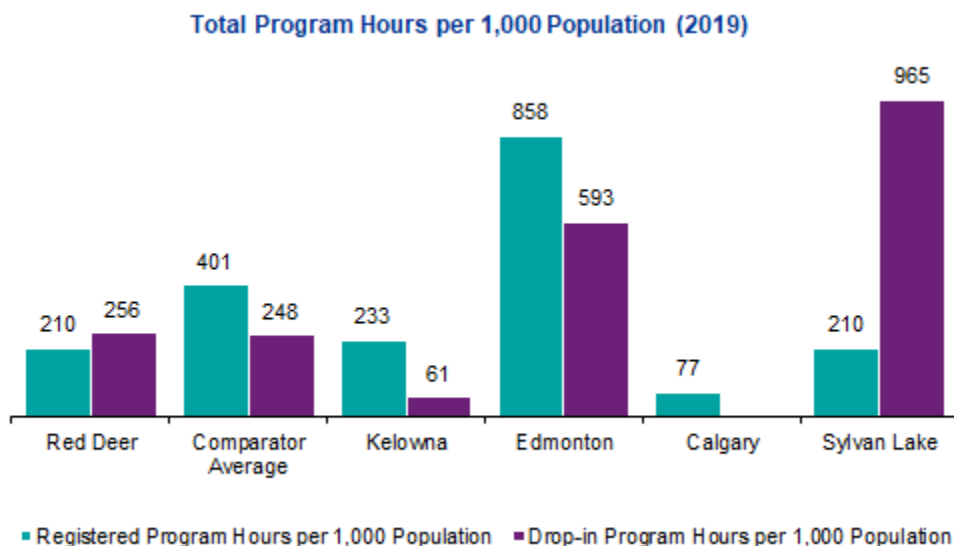
Total Program Hours per 1,000 Population (2019)

Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions.

Leading Practices and Key Trends

The landscape is changing for municipalities looking to meet their residents' needs for recreation and fitness. Digital technology, the internet and the COVID-19 pandemic restrictions have combined to influence how users plan to access the services they want. Whether it is through subscriptions, virtual platforms, or on-demand videos, users have found new ways to connect with the resources they need, including virtual networks for coaching and peer support, and all precisely when and where they need it. For example, a private fitness company that allows users to access fitness programming from their own home and on their own equipment, Peloton, has been increasing in popularity.

The types of recreation activities are changing as well. Studies indicate that Canadians appear to be shifting from organized sports (e.g., baseball or soccer teams) to less formal sporting activities (e.g., jogging, swimming, yoga).[3]

Culture and recreation assets provided on a per capita basis generally appear to support similar service levels offered by other jurisdictions. However, the City does provide access to more outdoor rinks (3.5 times as many) and heritage sites (3 times as many) relative to the population.

Figure 6: Recreation Assets by Municipality
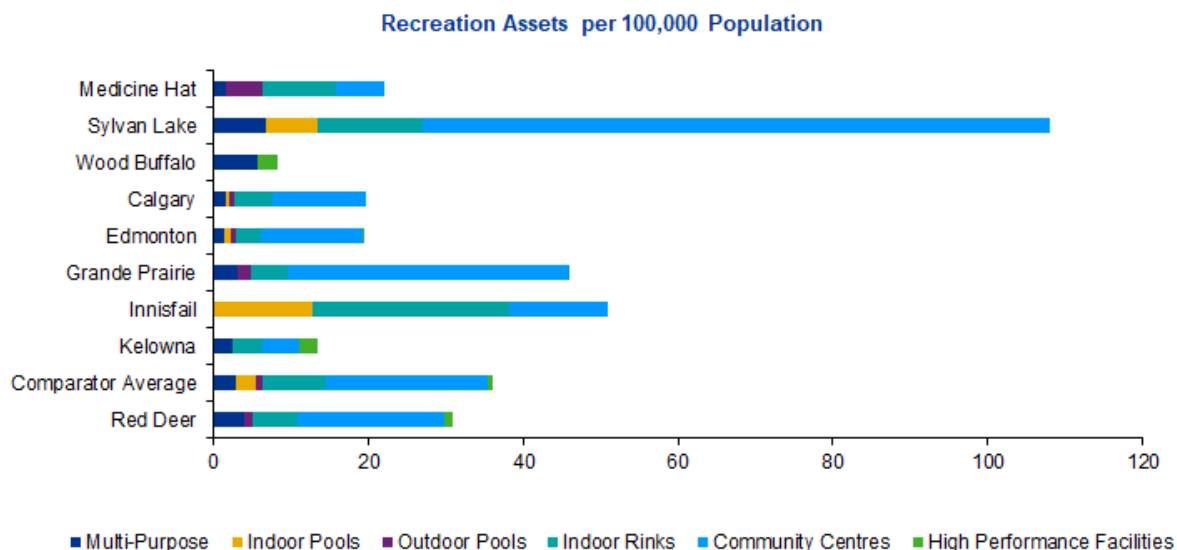
Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions.

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[3] *Statistics Canada, 'Who participates in active leisure?' 2009 https://www150.statcan.gc.ca/n1/pub/11-008-x/2009001/article/10690-eng.htm#a17 (Accessed August 2021)*

Figure 7: Culture Assets by Municipality
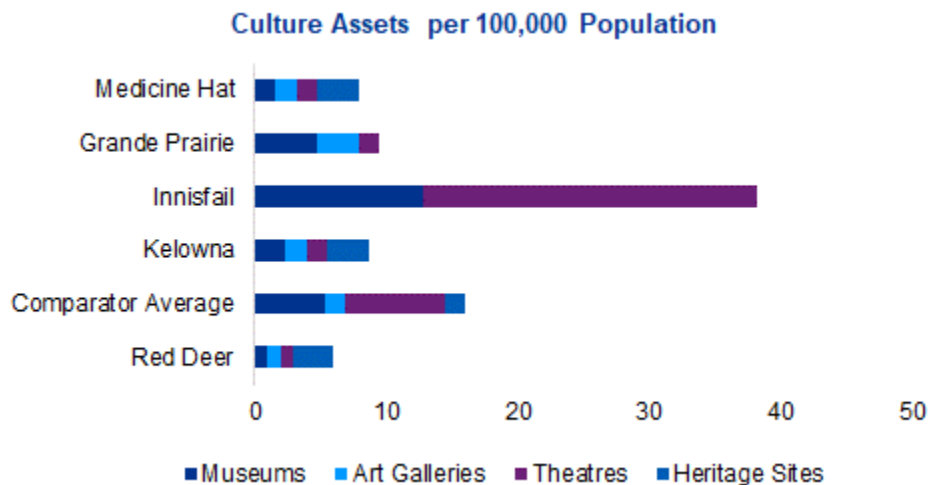
Culture Assets per 100,000 Population

Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions.

Stakeholder Levels of Participation

Overall, the levels of participation in recreation and culture services have been decreasing over recent years. This may indicate there is an opportunity to better meet the needs or demands of service users.

Overall attendance at City facilities has declined. Between 2016 and 2019, total participation per capita at recreation facilities decreased by 6.6% (from 19.8 participants measured per capita in 2016 to 18.5 in 2019)[4]. By major recreational facility, the percentage change was -11.7% at the Collicutt Centre, -15.8% at the G. H. Dawe Centre, -11.1% at the Michener Centre, and -6.7% at the Recreation Centre.[5] Great Chief Park experienced an increase in participants (+71.7%) from 2016 to 2019.[6] Attendance at Red Deer's recreation facilities was higher than its comparator average in 2019.[7]

It should be noted that there were facility closures over this period, such as Servus Arena and some amenities within Great Chief Park, which may have contributed to decreased facility attendance. The opening of Setters Place in 2018 was also a driver for increased attendance through the hosting of large-scale events such as the Canada Winter Games, CFL exhibition games, university events and other competitions. Attendance data is not tracked to the same level of detail for many culture and parks amenities.

There also appears to be a decline in participation in registered recreation and culture programming. Between 2016 and 2019, the total number of program registrants per 100,000 people decreased from 28,000 to 22,000 (-21.4%). Over the same period, program hours were reduced by approximately 7.2% in 2018.[8] Staff indicated that a main driver is customer demand, which may be influenced by the availability of comparable programming in the market as well as the economic downturn's impact on disposable income in recent years. Other factors that contribute to declining program hours in this time frame include the closure of facilities throughout 2017-2019 (such as the moving of Culture facilities in late 2018 and early 2019) and reductions of programming throughout the 2019 Canada Winter Games period.

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[4] *Provided by the City - Attendance by Facility Data (Interim Report Excel)*
[5] *Provided by the City - Attendance by Facility Data (Interim Report Excel)*
[6] *Provided by the City - Attendance by Facility Data (Interim Report Excel)*
[7] *Figure 40: Recreation Facility Attendance by Municipality (2019), Appendix B: Jurisdictional Scan, page 103*
[8] *Current State Report – Stakeholder levels of participation per capita*

Usage of the Fee Assistance Program (FAP) meets defined program outcomes for access

The usage of the FAP has been increasing at a rate that outpaces the rate of overall growth in the City. If FAP participants increase their usage of facilities and programs, the FAP sustainability could be challenged.

The FAP appears to be meeting its new member target, suggesting the current intake process (e.g., eligibility, referrals, etc.) is effective. The program has a target of seeing 50% new participants among its unique users over a three-year period and reported very close achievement of that target (48%) in 2019.[9] Between 2016 and 2019, the number of participants who qualified for FAP increased by 9.1% (from 3,779 in 2016 to 4,124 in 2019).[10] Population growth has only increased by 1.2% in the same period.[11]

3.3.1.2 Evaluation of Effectiveness

Overall, the criteria for effectiveness have not been met.

While the service areas appear to have a comparable level of service provided, without defined strategic guidance that outlines the core mandate and outcomes for the service areas, the City cannot evaluate whether these levels of service are the right levels to provide. This gap in guiding strategic documents also points to challenges with the ability to measure defined objectives of programs like the FAP. Objectives from programs will need to align to this overarching guidance. Further, declining attendance in Recreation and Culture services (facility attendance and programming) points to a need to re-evaluate demand, and overall provision in the context of the market. For these purposes, effectiveness criterion has been evaluated as not achieved.

3.3.2 Economy

Economy, in this context, refers to the cost of acquiring the service inputs that are used to generate desired outputs.

3.3.2.1 Criterion: City's costs have grown at a reasonable rate relative to the community needs and are comparable to other municipalities.

Metrics considered:

- Overall service cost per capita and as a proportion of the municipal budget;
- Total subsidy and subsidy per participant; and,
- Cost recovery by facility and program.

Service Cost

The City's costs to provide culture, parks and recreation services have been stable over recent years. Overall cost recovery in these areas has been challenging.

-8.4% Revenues	+3.7% Expenses	+4.0% Revenues	+11.8% Expenses	-17.6% Revenues	-2.2% Expenses
Recreation Change from 2016 - 2019		**Parks** Change from 2016 - 2019		**Culture** Change from 2016 - 2019	

Aside from Parks, it appears the City's costs are increasing less than inflation and population growth. Adjusting for inflation, the overall service cost per capita across all three sections has increased from

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[9] *Provided by the City – Fee Assistance Program Report*
[10] *Provided by the City – Fee Assistance Usage Data*
[11] *City of Red Deer. Municipal Census (2016 and 2019 Census data)*

$249 in 2016 to $257 in 2019 (+3.2%).[12] By section, Parks experienced the largest increase in operating costs per capita at 5.0%, while Recreation's increased by 4.1% and Culture's decreased by 7.1%.

It is noted that while costs have increased, levels of service have not remained the same over this time period, as departments adjusted to the evolving needs of their users. Over this period residents have benefited from additional services related to the operation of the Intermediate School, collaboration with the YMCA to operate the Northside Community Centre, and winter operation of Setters Place. These costs may have also increased to accommodate changing levels of service. In addition, these service areas have not received cost of living increases to their budget in the last four years.

Figure 8: Nominal Operating Expenses vs. Inflation and Population Growth

Nominal Operating Expenses vs. Inflation & Pop'n Growth
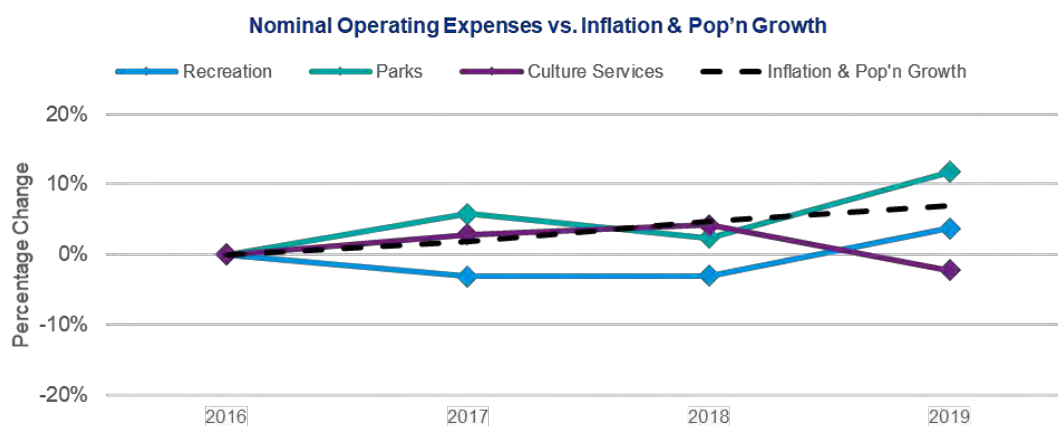
Source: Prepared by KPMG using City provided financial and municipal census data as well as Statistics Canada Consumer Price Index for Alberta.

Analysis on the expenditures of Recreation, Parks and Culture was completed using Alberta's Financial and Statistics Information.[13]

Compared to the average of the types of municipalities identified, the City has a lower cost recovery than the average for each municipal category. While the City's expenditures per capita are relatively comparable, the revenues per capita are lower (54% less than the average among Alberta cities and specialized municipalities, 80% less than towns) which results in a lower cost recovery rate. When comparing overall cost recovery (total operating expenditures against total operating revenues), the City has a lower cost recovery than other jurisdictions across Alberta; it has a 32% cost recovery in 2019, compared to an average cost recovery of 50% for cities.[14]

Between 2016 and 2019, the total operating costs of Recreation, Parks and Culture as a proportion of the total City budget was relatively consistent, increasing from 14.8% to 15.4%.[15] The 2019 service area expenditures as a percentage of total municipal operating expenditures are lower than the comparator average of 17.4% however, Recreation and Parks expenses per capita are higher.[16] Recreation and Parks expenditures per capita were 22% and 13% higher than the average, respectively. Culture expenditures per capita was nearly half the comparator average.[17]

Subsidy Provided

Overall, the cost to deliver the FAP, especially the City-funded portion, has increased over time at a higher rate than participant growth.

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[12] *Prepared by KPMG using data provided by the City.*
[13] *Table 23: Culture, Parks and Recreation Financials in Alberta (2019), Appendix B: Jurisdictional Scan, page 98*
[14] *Table 23: Culture, Parks and Recreation Financials in Alberta (2019), Appendix B: Jurisdictional Scan, page 98*
[15] *Financials derived from financial data provided by the City.*
[16] *Figure 24: Service Area Expenditures as Percentage of Municipal Operating Expenses (OpEx) 2019, Appendix B: Jurisdictional Scan, page 94*
[17] *Figure 25: Service Area Expenditures per 100,000 Population (2019), Appendix B: Jurisdictional Scan, page 94*

The City's cost per capita to provide its subsidy program is lower than the comparator average.[18]

Most external funding sources have decreased (e.g., Canadian Tire Jumpstart), which has resulted in a need for the City to use its deferred revenues to offset expenditures. In the past, once funding had been exceeded disbursements to program users would discontinue, but now deferred revenues are used. This balance diminishes each year and could be depleted within three to four years at current rates.[19]

The annual total subsidy provided has increased by approximately 67% from 2016 to 2019 for programs under the FAP.[20] The number of qualified participants over this same period only increased by 9%.[21]

The City-funded portion of the FAP revenues has increased 163% to cover the increased usage as well as mitigate the loss of other revenues.[22] The municipal contribution includes FAP funds in the budget, as well as deferred revenues as required, to ensure funding can be extended through the full year to meet demand. These challenges indicate that the program may continue to increase its reliance on municipal taxes to fund the program, or the ability to provide access may be limited.

Figure 9: Fee Assistance Program Funding Sources (2016-2019)
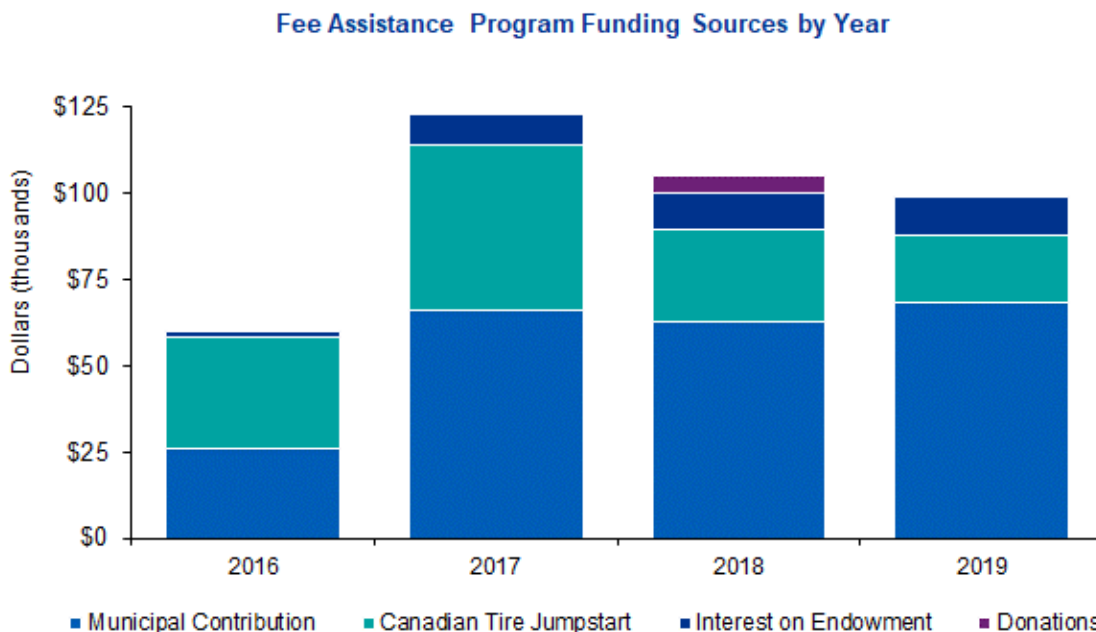
Source: Prepared by KPMG using data provided by the City.

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[18] *Figure 26: Provision of Park Land and Direct Annual Operation Cost per capita (2020), Appendix B: Jurisdictional Scan, page 95*
[19] *City of Red Deer FAP Annual Report 2019 indicated a year-end balance in Deferred Revenues of approximately $75,000 and assuming future draws on this fund remain consistent with 2019's $22,000 contribution to FAP revenue.*
[20] *City of Red Deer FAP Annual Report 2019*
[21] *City of Red Deer FAP Annual Report 2019*
[22] *City of Red Deer FAP Annual Report 2019*

Cost Recovery

Overall, the City has been challenged in recovering its recreation facility costs. Cost recovery for program-related costs has not been determined due to data challenges.

Figure 10: Operating Cost Recovery Rates by Facility (2019)
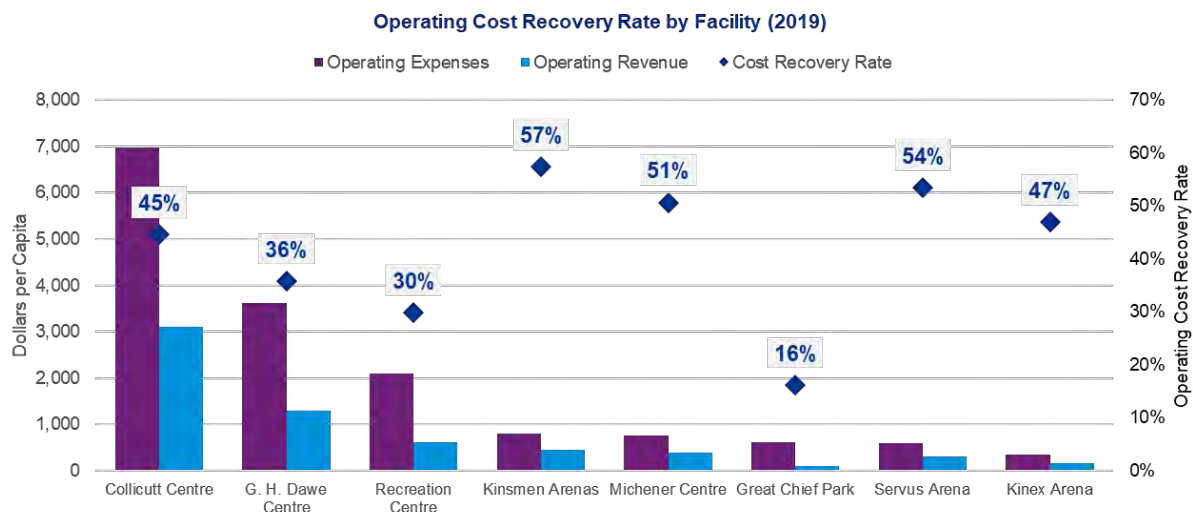
Source: Prepared by KPMG using data provided by the City.

Cost recovery by recreational facility decreased from 47.6% in 2016 to 40.8% in 2019. The largest decrease in cost recovery rates is attributable to the Kinsmen Arenas, which saw a decrease from 88.4% in 2016 to 57.4% in 2019[23]. The largest increase in cost recovery rates is attributable to the Michener Aquatics Centre, which saw an increase from 38.5% in 2016 to 50.7% in 2019[24].

The City aims to have programs recover the full cost to deliver the program, plus a margin of 20% to 30% depending on program type.[25] Program cost recovery rates were not calculated since actual expenditures, at the level of detail required, were not available through the City at the time of this review.

Cost per Capita Analysis

Parks expenditures on actively maintained and naturalized parkland are higher per capita than comparable jurisdictions. [26] The City's costs per hectare are 29% and 172% above the comparator average for both actively maintained and natural park land, respectively.[27] Service levels for maintained park areas entail a total annual direct operation cost per 1,000 population, which is currently 24% higher than the comparator average and up to 58% higher when compared to Edmonton's per capita expenses in this area.[28] The City recently increased the amount of mowing outsourced to third-party contractors to approximately 526 hectares, representing just over 80% of the City's portfolio.[29] The remaining 20% is mowed by the City and includes many of the premium parks and facilities that generally require unique or higher levels of service.

However, costs per capita for tree maintenance are relatively comparable to other jurisdictions.[30]

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[23] *Financials derived from financial data provided by the City.*
[24] *Financials derived from financial data provided by the City.*
[25] *RPC Program Policy Handbook*
[26] *Figure 28: Annual Operation Cost of Municipal Park Land, Appendix B: Jurisdictional Scan, page 96*
[27] *Yardstick Report 2020*
[28] *Yardstick Report 2021*
[29] *Information provided by the City.*
[30] *Figure 29: Tree Maintenance Expenditures per 1,000 Population, Appendix B: Jurisdictional Scan, page 96*

3.3.2.2 *Evaluation of Economy*

Overall, the criteria for economy appears to be partially met.

For each of the service areas, the year over year growth in costs appears to be relatively stable, and the costs generally grow in line with population and inflation. However, in 2019, Parks costs do exceed population and inflation growth, and costs to deliver services per capita specifically related to parkland maintenance are higher than other jurisdictions. Other costs, like tree maintenance, are comparable per capita.

The overall subsidies provided by the municipality for recreation and culture, such as through the Fee Assistance Program (FAP), has increased where external funding has decreased. The low-cost recovery of recreation facilities is low, and the City has lower overall operating cost recovery then other jurisdictions in Alberta. These cost recovery and subsidy challenges may indicate greater reliance on municipal taxes to fund services.

3.3.3 Efficiency

Efficiency, in this context, refers to using each resource optimally, delivering services in a timely manner, and "doing things right".

3.3.3.1 *Criterion: The Recreation, Parks and Culture service models promote an efficient use of resources to deliver services as compared to services delivered in other municipalities, and over time.*

Metrics considered:

- Costs per program hour and participant hour;
- Cost per square foot of facility space;
- Cost per hectare of park land;
- Attendance rates;
- Amenity and facility usage rates; and,
- Average program fill rates.

Cost Per Output Analysis

The City's cost of park land maintenance is lower per hectare than comparators however, the volume of service provision may be driving associated costs. There is room to improve data collection on recreation and culture program costs in order to measure and address program cost recovery.

Direct program cost data for recreation and culture programming required to analyze the cost per program hour and cost per participant was not provided by the City. However, comparing the total operating expenditures across Recreation and Culture to the total number of program hours delivered by these sections indicates that the overall cost per program hour has increased by 26.7% between 2016 and 2019.[31]

The average operating costs per square-foot at major recreational facilities ranged from as low as $9 (Servus Arena) to as high as $93 (Recreation Centre)[32]. Other major recreational facilities recorded the following real costs per square-foot in 2019: G.H. Dawe Centre ($39); Collicutt Centre ($27); Kinsmen

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[31] *In 2016, 25,456 program hours were delivered with inflation-adjusted operating expenditures of $29.1M ($1,144 per program hour); whereas in 2019, 21,082 program hours were delivered with inflation-adjusted operating expenditures of $30.5 million ($1,449 per program hour).*
[32] *The Recreation Centre offers amenities outside of the building, too, which are a driving factor in its higher costs per square-foot of building space.*

Arenas ($14); Kinex Arena ($11), for an average of $32.17. For comparison, the average real operating cost per square-foot among these facilities was $31.33 in 2016, so an inflation-adjusted increase of 2.7% has occurred over that three-year period.

Figure 11: Operating Expenditures per Program Hour by Recreation Centre

Operating Expenditures per Program Hour
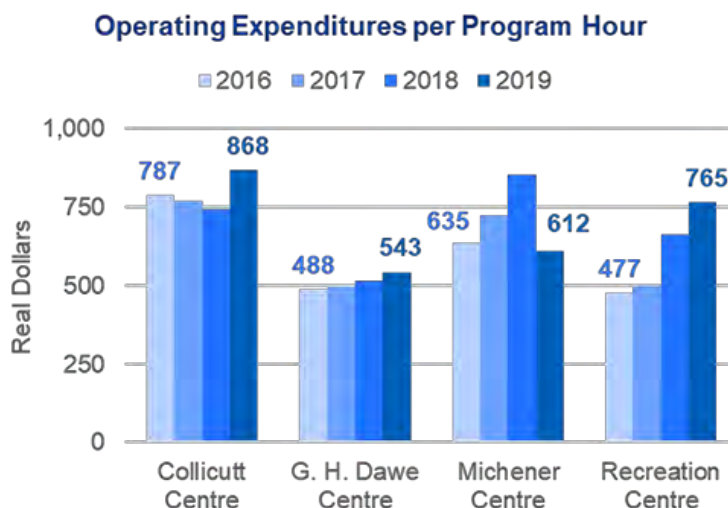
Source: Prepared by KPMG using data provided by the City.

Comparing the total operating expenditures across Recreation and Culture to the total number of actual participants delivered by these service areas indicates that the overall cost per program participant has increased by 28.2% between 2016 and 2019.[33] Between 2016 and 2019, the weighted average real operating expenditures per participant increased from $7.88 to $8.47 (+7.5%), while the weighted average real operating revenues per attendee have decreased from $3.75 to $3.46 (-7.8%). As previously noted, costs as well as service levels have changed over this period. The cost to deliver services per participant warrants consideration of the improved quality and quantity of services related, for example to the Intermediate School, Northside Community Centre and Setters Place.

The City's cost of park land maintenance is lower per hectare than comparators.[34] This may be due to the higher overall volume of parkland provided by the City, as total hectares provided appear to be higher than comparators. The City may have efficiencies due to scale that result in lower costs per hectare. However, there are some limitations with assessing costs for parkland maintenance; there is room for improving data collection on program costs in order to measure and address program cost recovery. For example, costs on sports field maintenance are not currently tracked by the City.

Comparing the total inflation-adjusted operating expenditures for Parks to the number of hectares that Parks maintains indicates that the cost per hectare has been relatively consistent, increasing only from $2,707 in 2016 to $2,741 in 2019. While Parks' inflation-adjusted operating expenses have increased from $11.0 million in 2016 to $11.6 million in 2019, so have the number of hectares maintained (increasing from approximately 4,070 to 4,250 over that same time period).

The City also has a higher street tree maintenance expenditure relative to comparators, which is nearly double the comparator average.[35] The City allocates the highest portion of its budget to street trees relative to park trees (65% to street relative to the median of 53%).[36] Street tree maintenance has a

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[33] *In 2016, 27,951 participants were recorded with inflation-adjusted operating expenditures of $29.1 million ($1,042 per participant); whereas in 2019, 22,868 program hours were delivered with inflation-adjusted operating expenditures of $30.5 million ($1,336 per participant).*
[34] *Table 21 and Table 22, Appendix B: Jurisdictional Scan, page 95*
[35] *Figure 31: Street Tree Maintenance Expenditure per Tree, Appendix B: Jurisdictional Scan, page 97*
[36] *Yardstick Report 2021*

higher cost per tree to maintain (approximately $65 per tree as compared to $16.50 for park trees)[37]. The City's cost to deliver these services may be driven by service level expectations (e.g., City in a Park, risk management strategies in the event of severe weather and the local climate and tree species, such as maintaining Red Deer's extensive elm tree canopy).

Service levels for maintained areas entail a total annual direct operation cost per 1,000 population that is currently 24% higher than the comparator average and up to 58% higher when compared to Edmonton's per capita expenses in this area. The City recently increased the amount of mowing outsourced to third-party contractors to approximately 526 hectares, representing just over 80% of the City's portfolio.[38] The remaining 20% is mowed by the City and includes many of the premium parks and facilities that generally require unique or higher levels of service.

Stakeholders have indicated that a key driver of costs for Parks in recent years is the urban encampment program. As such, expenditure analysis and cost per output analysis has been assessed for this program relative to other activities in the City. The program represents 2.9% of Parks' average annual nominal operating expenses in 2019 (total of $11.3 million). This does not appear to have the same magnitude in terms of overall cost as other programs, such as turf or tree maintenance costs.

According to the City, makeshift camps in Red Deer's parks and other green spaces can create debris, which pose a risk to health and safety, such sites can attract illegal behaviors, and there can be fires or other hazardous risks to the City's infrastructure. As a result, the City implemented an Urban Encampment Program, whereby a Community Peace Officer (CPO) is dispatched to a reported encampment site. Once the outreach staff have responded to the encampment and referred inhabitants to housing supports and other social services, if the site is active, Parks' staff are scheduled for site clean-ups. These clean-ups can involve the effort of numerous Parks employees and specialized equipment (e.g., trucks and trailers).

Between 2018 and 2020, Parks responded to an average of 325 encampments per year (244 in 2018, 402 in 2019, and 329 in 2020).[39] Given an average annual direct cost for the Program of $331,800, this results in a cost to the City of approximately $1,021 per response to an encampment. The average annual cost does not include materials and equipment, as these are sourced from other Parks functions; CPO and admin time associated with the activities; facilities (i.e., Urban Encampment Program building and compound); or disposal costs.

According to estimates from Parks, staffing a dedicated crew to avoid disrupting other areas of Parks' activities would cost an estimated $1.25 million per year, far exceeding the current budget. However, increasing the budget for Urban Encampments to reflect the allocation of resources from other related functions could potentially result in a reduction to the budget for those other functions, which currently bear some costs of the Program through the allocation of their resources.

Facility and Program Usage

Attendance at recreation facilities is higher per capita than comparators but has declined in recent years.

Total facility attendance can be broken into two general categories: participants (e.g., those who actively enroll in programs and / or pay to use facilities) and spectators (unpaid visitors who come to watch activities). Between 2016 and 2019, the number of participants at facilities decreased from 1.98 million to 1.86 million (-5.7%). It is noted that significant facility closures occurred over this period, including Servus arena and some Great Chief Park amenities. However, the total attendance of the facility increased from 2016 to 2019 by 3%, when including spectators who visit these facilities. Stakeholders indicated that since the opening of the Setters Place football field in 2018, the City has hosted numerous large-scale events (e.g., Canada Winter Games, CFL exhibition games, university events, soccer matches, camps and races) which bolstered facility attendance.

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[37] *Yardstick Report 2021*
[38] *Information provided by the City of Red Deer*
[39] *2020 saw a reduction in urban encampment responses due to the overall reduction in homelessness because of CERB. As of August 2021, there have been 309 responses, and Parks estimates this will likely reach 500 by the end of the year.*

Attendance per capita at the City's recreation facilities in 2019 was 63% higher compared to the average for Innisfail, Edmonton, Calgary, Sylvan Lake and Medicine Hat.[40] However, many of Calgary's facilities are partner-operated and the data provided only includes city-run facilities, likely driving down the average.

Fluctuations in participation at facilities and programs suggest the need for adjustments to the types and volume of programming offered as well as exploration of alternate uses of facility space, such as rentals.

The City provides fewer program hours per capita than the average among its comparators: Calgary, Edmonton, Kelowna, and Sylvan Lake. Red Deer delivered nearly half as many registered program hours per capita in 2019.[41] However, the City did provide 3% more drop-in hours than the comparator average. Calgary also uses third-party facility operators to deliver some programing, especially related to culture services, and their data only includes city-run programming.

Great Chief Park is the only major recreational facility / amenity that experienced an increase in participants (+71.7%).[42] All others experienced a decrease, such as the Collicutt Centre (-11.5%) and G. H. Dawe Centre (-15.7%). The major recreational facility / amenity that experienced the largest reduction in participants is the Kinex Arena (-18.6%). This may be attributed to the closure of the Kinex Arena in 2018 / 2019, as directed by Council to realize cost-savings from a temporary closure. Programming was removed from this facility at the time.

Market Provision of Services

Demand for services appears sufficient to encourage a market for alternative service providers of recreation and culture activities in the City, with an emphasis on meeting the physical well-being needs of adults and children.

Stakeholders indicated that the number of recreation and culture services market providers has increased over the years. In cases where the City used to be the only provider, such as rock climbing, it was suggested that the City-run introductory programs contributed to creating market demand for those services. However, a preliminary analysis of providers in the market suggests that there may be sufficient provision within the recreation ecosystem in certain types of program and service delivery.

> **Leading Practices and Key Trends**
>
> According to the Canadian Fitness and Lifestyle Research Institute, larger municipalities (populations of 10,000 or more) are substantially more likely than smaller communities to report offering targeted programming and scheduling to specific demographic groups, such as families, older adults, women, beginners, and under-represented groups. In terms of who delivers those targeted programs, larger municipalities were more likely work in *conjunction* with external entities whereas smaller municipalities were "slightly more likely to report that programs for adults are operated *exclusively* by the municipality".[43]

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[40] *Figure 40: Recreation Facility Attendance by Municipality (2019), Appendix B: Jurisdictional Scan, page 103*
[41] *Figure 39: Total Program Hours Delivered (2019), Appendix B: Jurisdictional Scan, page 103*
[42] *Analysis by KPMG based on data provided by the City.*
[43] *Canadian Fitness and Lifestyle Research Institute, Municipal Opportunities for Physical Activity, Bulletin 2: Delivery of Physical Activity Programming and Scheduling, 2015*

Figure 12: Local Provision of Recreation and Culture Services in Market
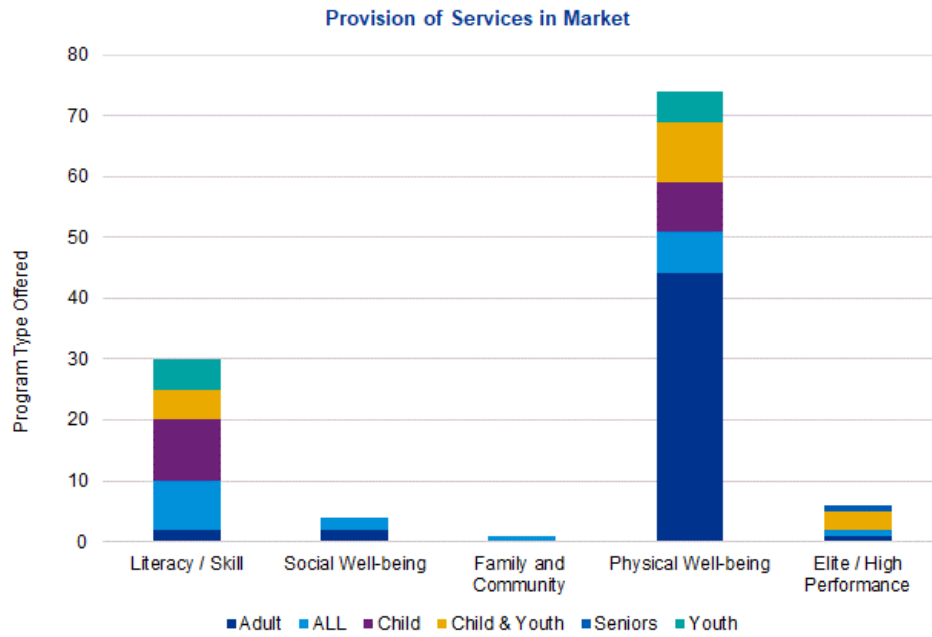
Source: Prepared by KPMG using publicly available information.

Figure 13: Local Market Provision of Recreation and Culture Services by Course Type
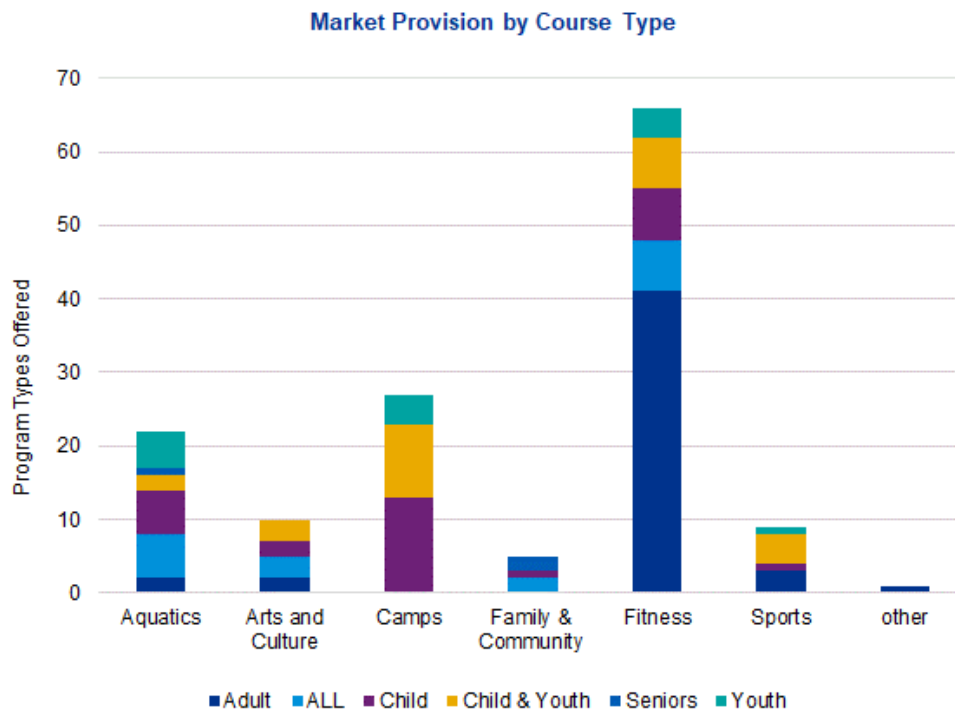
Source: Prepared by KPMG using publicly available information.

An analysis of providers in the market indicates that most are in the 'physical well-being' category, which includes items like gym use, (niche) fitness classes (e.g., yoga, HIIT classes, personal training), and other specialized training activities (e.g., martial arts, gymnastics, etc.). There are lower levels of providers for social well-being, family and community, and elite / high performance activities within the local market.

Adults and children are the groups that are the most well-served in the market currently, followed by youth. Predominantly, adults are served by fitness classes, and children by aquatics, camps, and fitness programs.

While this data may suggest that the market is able to meet the physical well-being needs of adults, these types of programs also provide a revenue base to the City. Reducing these types of programs may result in a decrease in total revenues received. However, if the City's role is to address key gaps or areas under-served by the market, such as the social well-being or family and community areas, this may be a trade-off the City must decide on.

Figure 14: Local Market Provision of Recreation and Culture Services by Provider Type
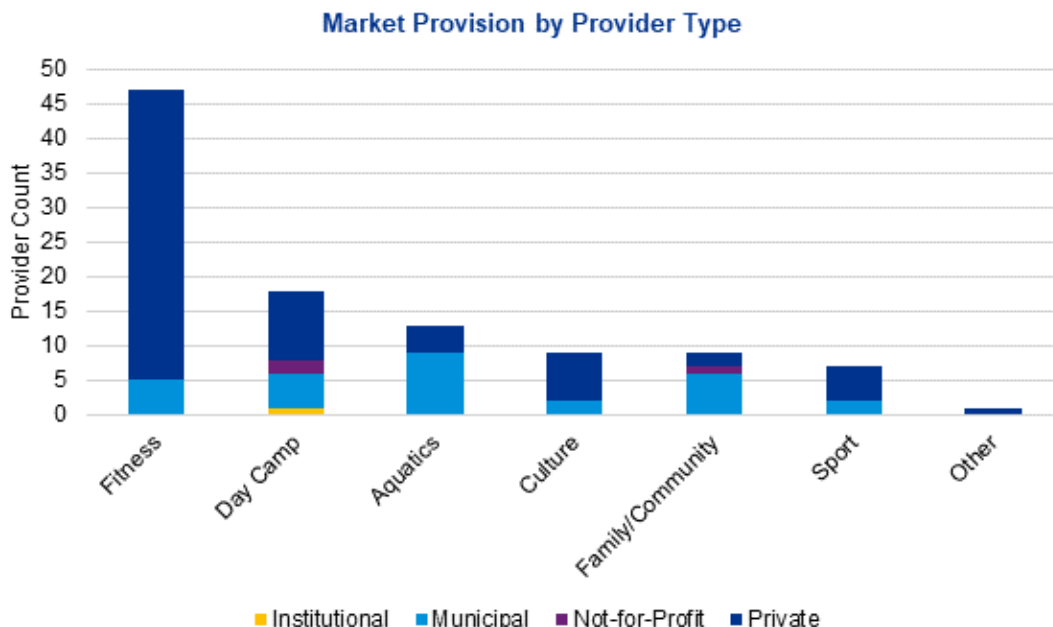
Source: Prepared by KPMG using publicly available information.

Figure 14 provides a comparison of the market by type of provider. There are a large number of facilities provided by private entities in the fitness category, followed by day camps, culture, and sports facilities. There are higher proportions of municipal providers in the aquatics and family / community categories. This suggests that there may be potential duplications of facilities and programming across fitness, day camp, culture, and sport programming. However, these findings should be aligned to mandate. If the City is tasked to recover costs, removing fitness facilities and programming for example may impact revenues.

The analysis of external providers was based on information compiled from publicly available sources. This may not represent a comprehensive list of all providers and programs currently in the recreation ecosystem.

Efficiency of Service Delivery

The City's service delivery appears to be generally efficient, but there may be opportunities to increase role clarity and explore alternative models of service delivery to increase overall efficiencies.

The City has undergone an organizational restructuring, reducing the number of divisions reporting to the City Manager. The Recreation, Culture, and Parks services areas were a part of this restructuring. After this restructuring, internal stakeholders note that there may be opportunity to clarify roles and accountabilities across business areas as many responsibilities have shifted to different departments. This will be critical to define as there may be confusion as to how the departments interact in service delivery, how they interact with partners, and assignment of key accountabilities for service delivery.

From 2016 to 2019, there has been a 1% increase in FTEs for Recreation, 16% increase for Parks, and 8% decrease for Culture.[44] While overall there is a small increase in Recreation FTEs, from 2016 to 2017, and from 2017 to 2018 there was decreases in overall FTEs. Stakeholders noted that these decreases were driven by budget reductions through these years. The increase in 2019 was noted to accommodate the opening of facilities (such as Servus Arena, Setters Place, the Intermediate School, the YMCA Facility, and enhanced amenities at River Bend).

Calgary and **Kelowna** employ long-term partnerships to operate and deliver programming at most of their multi-purpose recreation facilities.

Lethbridge also utilizes many third parties but prefers fee-for-service arrangements to outsource facility operations and services where it can be done more effectively and cost efficiently than direct delivery.

The **Regional Municipality of Wood Buffalo** is unique in its approach to establishing a Part IX company, a not-for-profit entity to manage municipally owned facilities and deliver all related recreation services for the region.

Edmonton is currently exploring the use of partners to deliver aspects of their service delivery, such as programming and the operations of specific facilities (e.g., golf courses).

Table 12: Population and Service Area Staffing Levels (2016 - 2019)

Measure	2016	2017	2018	2019
City of Red Deer Population				
Total Population (K)	99.8	100.2	100.6	101.0
% Change		**+0.4%**	**+0.4%**	**+0.4%**
Recreation				
Total FTEs	172.8	167.3	166.3	173.9
% Change		**-3.2%**	**-0.6%**	**+4.6%**
Parks				
Total FTEs	93.5	94.2	94.4	108.5
% Change		**+0.8%**	**+0.2%**	**+15.0%**
Culture				
Total FTEs	10.4	10.2	10.2	9.6
% Change		**-1.1%**	**-0.8%**	**-5.8%**

Source: Prepared by KPMG using City-provided data.

While inflation-adjusted wages and benefits have remained relatively stable from 2016 through 2019, the average cost of wages and benefits per FTE has decreased in the Recreation, Parks and Culture service areas by 2.9%, 11.8%, and 1.5%, respectively.

The City currently manages more than 325 different contracts across the three service areas. These partnership structures are normally in the form of fee-for-service agreements, operating agreements, grant funding or community support. However, other jurisdictions have various alternative operating models that use partners in a greater degree.

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[44] *Financials and FTEs derived from financial data provided by the City.*

While both internal and external stakeholders note there may be appetite to explore alternative delivery or partnership models, there are challenges with its existing partnerships. These include limited consistency in what is included in agreements, the roles played by each party, and the performance monitoring requirements. The City has indicated that it does not always know what outcomes are being achieved through partners.

Stakeholders have noted that communication with partners has been inconsistent, potentially exacerbated by the transition to liaisons in other service areas as a result of restructuring perhaps, and it is unclear whether contacts have adequate authority or knowledge of partnership agreements. Community groups and potential partners that are hoping to formalize or increase their level of partnership are not aware of the City's process or priorities for partnership development (especially newer partners versus historical agreements).

Leading Practices and Key Trends

Operating models that incorporate alternative service provision depend not only on the capacity or interest of third-party providers, but also on the characteristics of the program or facility considered for outsourcing. Involving partners or fee-for-service contractors may not be feasible in all cases.

For third-party operation of a facility, leading practices suggest that newer facilities and those where partners have autonomy in operations may be more desirable and / or successful. Facilities with aging infrastructure can be challenging for third-party entities to bear the ongoing maintenance and capital costs. Partners will also be interested in operating assets that will be profitable, which likely requires autonomy on their end to determine prices and programing available. This also may include interest in facilities that are equipped with the appropriate amenities and equipment to meet consumer demand. Some jurisdictions involve partners in the design and build stage for new recreation facilities to ensure that the amenities support profitability and reduced maintenance costs, if possible. Some types of facilities, such as swimming pools and arenas, have proven challenging to attract potential partners due to high overall maintenance and operating costs associated with maintaining those assets.

In cases where third parties are entrusted to deliver public programming and access to city-owned facilities, a critical consideration to negotiate is the level of autonomy the operator will have over allocations, fees, rental arrangements, priority demographics, the types of programming offered, etc. The City could, for example, dictate that their existing allocation policy would apply to third-party operated arenas however that may impact the operator's ability to optimize its revenue generation potential.

There are risks associated with third party delivery of services on behalf of the City. There may be increased liability associated with the maintenance of infrastructure to the required level. Other jurisdictions have indicated that there have been challenges with the City having deteriorated asset conditions in some circumstances where partners operated a facility and were not able to maintain to the required level. There are also risks that third parties may not have the capacity or capability to deliver to required parameters, which would revert this responsibility back to the City.

The efficiency of service delivery also includes the assessment of whether the technologies and systems employed by the City are sufficient to support the delivery of these services. For Recreation and Culture services the primary system used is Intelli. This information provides all data and information tracking for these departments; however, it was noted that there have been challenges in pulling different information as required. This requires additional support from both the Business Excellence Unit and the IT departments. It was noted that a key opportunity to resolve some of these issues may be to work with the departments to identify the key business issues they are trying to solve, or metrics to be assessed, and working within the system and database to develop reporting to support. Leading practices research and conversations with municipalities suggest that most other jurisdictions use Intelli as well and experience similar challenges.

It was noted that other areas, such as facilities operations and maintenance, and Parks use other systems to deliver their work. This may include the Work Management System and Asset Planning systems. It was noted by these groups that information does not always flow between systems which can result in inefficiencies. These areas also noted opportunities to work with mobile solutions to help

staff out in the field with effective management of work orders. Research from other jurisdictions suggest this is not yet something that is widely utilized or implemented.

3.3.3.2 *Evaluation of Efficiency*

Overall, the criteria for the evaluation of efficiency appear to be partially met.

When assessing costs for outputs, it appears that recreation and culture output costs are increasing (e.g., cost per program hour) while overall operating costs per participant are stable. Facility usage (attendance) is higher than comparators per capita. While some parks expenditures per output are lower, such as the cost to maintain per hectare, other categories are higher such as the cost to maintain street trees per tree.

There are also challenges in how areas coordinate with others to deliver services, including in event coordination, in working with external partners, and as a result of new or changed roles after the reorganization.

3.3.4 Fairness

Fairness, in this context, refers to the fairness of outcomes; it is not about everyone having the same things – it is about everyone having what they need, when they need it.

3.3.4.1 *Criterion: Citizens have the Recreation, Parks and Culture services that meet their basic recreation, leisure, and culture needs.*

Metrics considered:

- Stakeholder perception that programming and amenities meet their needs
- Stakeholder perception that access to recreation, cultural, and leisure opportunities meet the needs of various demographic groups.

Stakeholder Perception and Satisfaction

Overall, stakeholders appear to be satisfied with the recreation services provided.

Ninety-two percent of citizens indicated they are very satisfied or somewhat satisfied with recreation and culture facilities. This has been consistent over the years (ranging from 91% to 96% since 2011)[45] and is higher than the comparator average.[46]

Stakeholders indicated they are looking for long-term planning and predictability around service expectations. Both internal and external stakeholder groups indicated that the City has a history of reacting to vocal interest groups. Demographic groups that are less mobilized or vocal may be those who need additional support from the City to receive the services where they need them. External stakeholders believe the City could do a better job of understanding the needs of specific stakeholder groups by engaging community groups who work directly with and engage these stakeholders (e.g., seniors' groups, minorities, etc.).

From a survey completed by external stakeholders, responses suggested that, opportunities may exist to address negative perceptions around responding to changes among partners (17% negative), addressing the needs of some demographics (30% negative), and providing affordable fees and charges (4% negative and 13% unknown).[47] Stakeholders pointed out that persons with disabilities and seniors in particular are among the demographics that require more consideration and deliberate attention.

In terms of partnerships, recreation, parks, and culture service areas were affected as part of the recent reorganization, as well as some staff turnover and current vacancies. During this restructuring, these

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[45] *City of Red Deer Ipsos Citizen Satisfaction Survey*
[46] *Figure 50: Most Recent Satisfaction Rates by Service Area, Appendix B: Jurisdictional Scan, page 112*
[47] *Survey conducted by KPMG in 2021 with responses from current culture, parks, and recreation partner organizations.*

areas moved to new leadership and key accountabilities for service delivery, such as partnerships, have shifted. Stakeholders have indicated there may be some challenges in defining how these areas work together after the restructuring. There appear to be challenges on both sides of the partnership equation, specifically related to communication, awareness of contract terms and expectations, and liaisons with appropriate authority support the partnership.

There are varying levels of sophistication of partners that the City works with, and the requirements and types of agreements vary. For example, large organizations that the City has worked with historically (e.g., Waskasoo Environmental Education Society) will have a very different contract or relationship with the City than smaller, newer partners. External stakeholders indicate this creates confusion, there is too much variety and lack of understanding as to the options for partnership levels, potential for perceived biases towards certain sports or local organizations.

Provision of Services by Demographic

The City appears to provide a high level of services to its adult demographic despite there being existing providers of comparable services. The City does not track market service offerings to a level of detail that would provide specific insights into service delivery by demographic.

Analysis of service provision by demographic indicated that program hours provided to the adult demographic group have increased by 8.5% from 2016 to 2019.[48] Market research (see Market Provision of Services as part of the Evaluation of Efficiency section, page 32) indicates that adults are well-served by the market. The City may wish to consider whether the current level of programming for adults is required. Adult programming does contribute to the overall revenues received from programming, so a decrease in programming provided would also result in a decrease to adult program revenues. However, program hours provided to the child / youth demographic group have decreased by 22.7% from 2016 to 2019.[49]

The City does not track program delivery to a greater level of detail in demographics, which can make it difficult to track impact across specific stakeholder groups such as seniors.

Figure 15: Adult Program Hours by Year
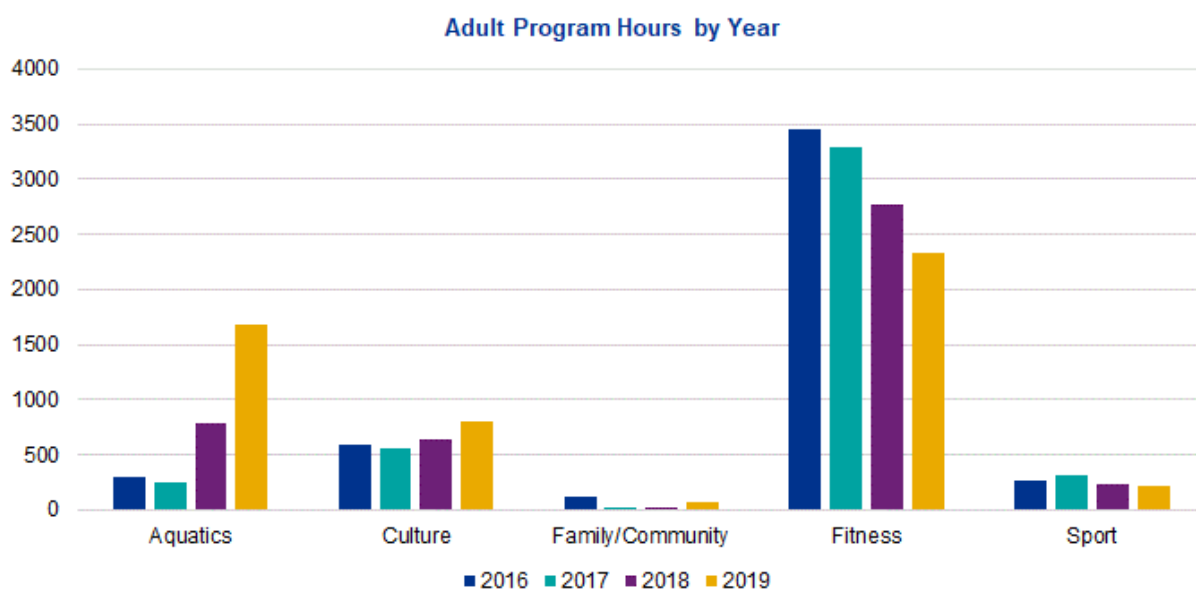
Source: Prepared by KPMG using data provided by the City.

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[48] *Demographic data derived from program data provided by the City.*
[49] *Demographic data derived from program data provided by the City.*

Figure 16: Child/Youth Program Hours by Year

Child/Youth Program Hours by Year
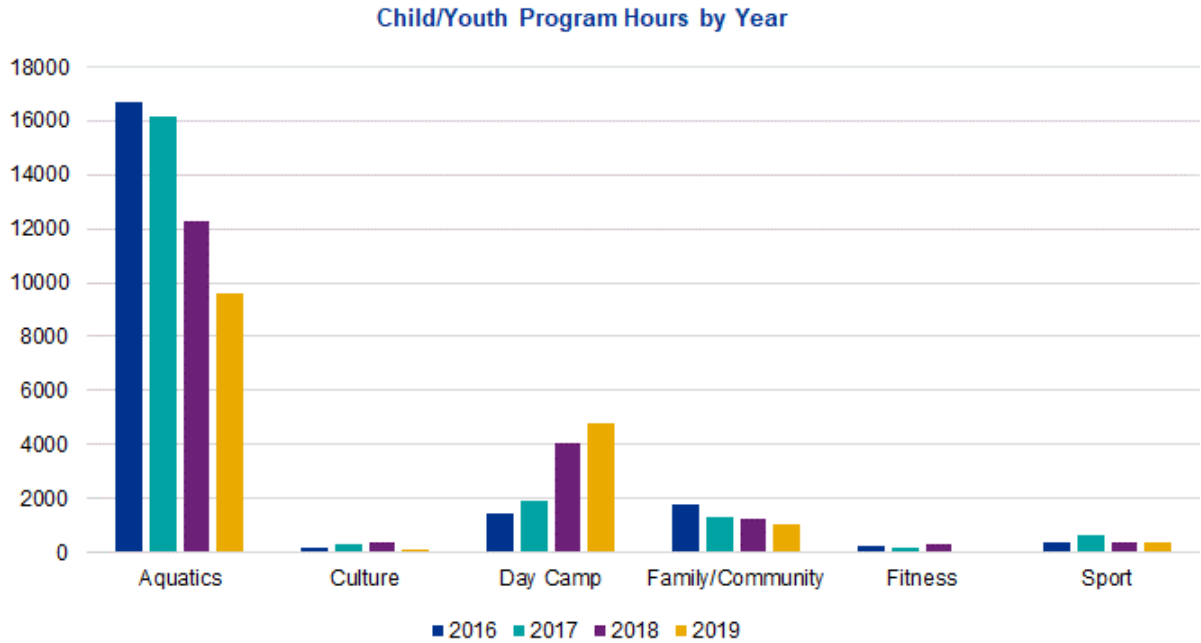
Source: Prepared by KPMG using data provided by the City.

The City should consider its mandate when using this information to assess service provision and when making decisions related to which services are provided, and to whom. For example, the City's mandate for Recreation and Culture services will determine if they are looking for cost recovery, vs. to serve specific demographic groups that are otherwise not served. If the City is looking for cost recovery or has thresholds to meet, the City would need to consider greater use and provision of services that offset less profitable programming (such as adult or fitness programs).

However, while many jurisdictions currently use this model, if the City is looking to provide greater access to targeted groups, the City may need to consider if it should target existing resources to other programs or services. In this way, the delivery of services considers both what is provided by the market, and what the City is looking to achieve.

3.3.4.2 *Criterion: The City's fees and charges are fair and affordable for access relative to other jurisdictions.*

Metrics considered:

- Average admission fee per user by facility type;
- Average program fee by program type;
- Average booking / rental fee per type;
- Subsidy provided per capita; and
- Overall gross revenues per capita.

Fees and Charges Analysis

The City's recreation facility access fees across all three facility tiers are lower than comparable facilities, even when considered against the 2016 Statistics Canada census median income, suggesting there is room to increase fees to bring them in line with other jurisdictions. Analysis of recreation facilities with features similar to Red Deer's pricing tiers indicates that City fees are significantly lower than their comparator averages, especially the monthly passes. The City's rates are consistently below their comparable user types and price points, ranging from 6% lower (senior admission at the G. H. Dawe Centre versus average at comparable facilities) to 124% lower (family monthly pass at the Michener Aquatic and Recreation Centres versus average at comparable facilities).[50]

Table 13: Recreation Fee Comparison for Adult Single Admissions and Adult Monthly Passes

	Single Admissions			Monthly Passes		
	Red Deer	Average of Comparators	Red Deer % of Average	Red Deer	Average of Comparators	Red Deer % of Average
Facilities Similar to Michener Aquatic Centre and Recreation Centre	$ 5.40	$ 6.90	*78%*	$ 27.00	$ 54.75	*49%*
Facilities Similar to G. H. Dawe Centre	$ 6.45	$ 9.08	*71%*	$ 29.60	$ 52.63	*61%*
Facilities Similar to Collicutt Centre	$ 9.25	$ 12.70	*73%*	$ 46.40	$ 68.95	*67%*

Source: Prepared by KPMG using information provided by the City and comparator municipalities or publicly available information.

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[50] *Figure 42, Figure 43 and Figure 44, Appendix B: Jurisdictional Scan, pages 104-105*

Figure 17: Fee Comparison by Municipality - Tier 1
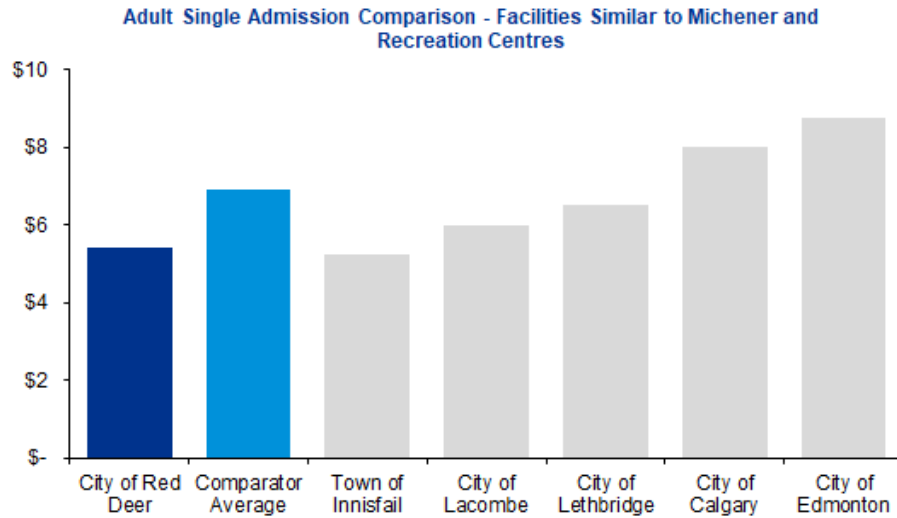
Adult Single Admission Comparison - Facilities Similar to Michener and Recreation Centres

Source: Prepared by KPMG using data provided by the City and publicly available comparator information.

Figure 18: Fee Comparison by Municipality - Tier 2
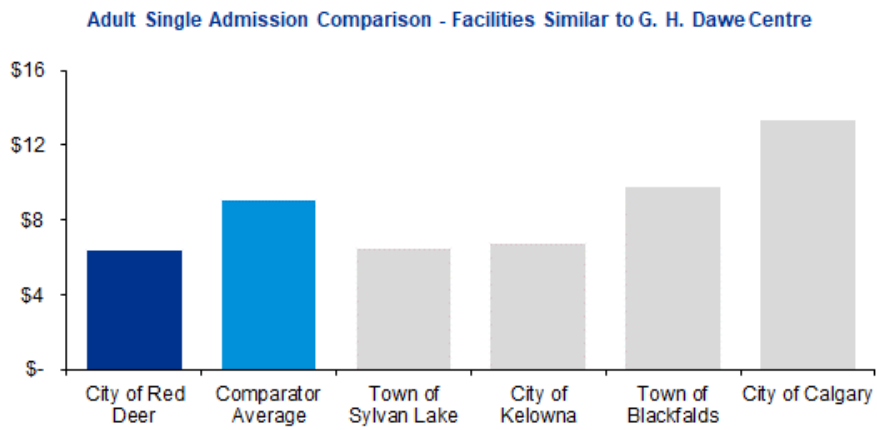
Adult Single Admission Comparison - Facilities Similar to G. H. Dawe Centre

Source: Prepared by KPMG using data provided by the City and publicly available comparator information.

Figure 19: Fee Comparison by Municipality - Tier 3
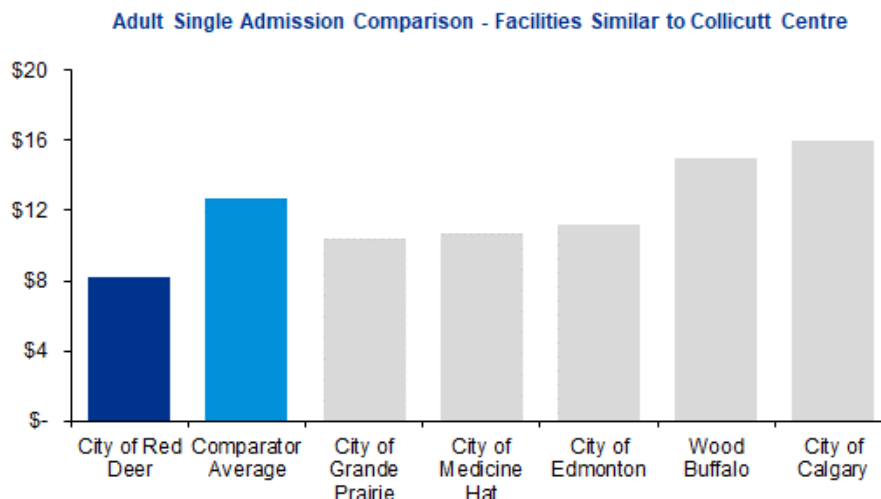
Adult Single Admission Comparison - Facilities Similar to Collicutt Centre

Source: Prepared by KPMG using data provided by the City and publicly available comparator information.

Data and information on cultural facility access and program fees were not provided by the City or comparator jurisdictions at a level sufficient for analysis.

Rental fees also appear to be somewhat lower than comparators, also suggesting room to adjust fees to better align with other jurisdictions. The City's highest and lowest outdoor sports field rental rates for youth are 50% and 32% lower than the comparator average.[51] The highest adult rate is 41%, however the lowest adult rate is similar to its comparators, sitting at 5% above the average. Similarly, the City's in-season ice rink rental rates currently range from 4% below the comparator average (non-primetime adult rate) to 17% below average (primetime youth rate).

Several factors contribute to price elasticity in this sector such as availability among alternative service providers, market rate and the local economy. Internal stakeholders reported that residents generally do not respond positively to fee increases, especially if they do not correlate with increased service levels.

There appears to be little public awareness that increased revenues from user fees allows the City to reduce reliance on tax-supported subsidization of culture, recreation, and parks services, as opposed to using revenues to increase service provision. Stakeholders representing rental groups described their perspective on current fees suggesting that any increases could impair their ability to operate their respective organizations or reduce their capacity to contribute to capital projects in future.

While there may be some challenges with price sensitivity in some areas, the lower fees in the City suggest that there may be opportunity for the City to adjust fees in specific areas where impact may be mitigated. This suggests a targeted approach to fee changes may mitigate challenges to price sensitivity. This could include a reduction of discounts to specific types of groups or users, increasing prime-time hours or rates associated with those times, tiered pricing for facility rentals, increases to specific highly utilized facilities, etc. rather than a wholesale increase in rates or fees across the board.

Revenues Analysis

Based on the information collected from stakeholders, opportunities exist to explore mitigating ongoing decreases to revenues in Recreation and Culture. Revenues are either decreasing or growing slower than inflation and population growth across the three areas.

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[51] *Figure 38: Actively Maintained and Natural Park Land by Municipality, Appendix B: Jurisdictional Scan, page 102*

Comparing the total inflation-adjusted revenues across all three sections relative to the population indicates that the revenues per capita have decreased from $93.10 to $82.30 between 2016 and 2019 (-11.6%).[52] Culture Services experienced the largest reduction, per capita, from $1.90 to $1.40 (-26.3%); and Parks experienced the smallest reduction, per capita, from $10.70 to $10.40 (-2.8%). Recreation experienced the largest reduction by dollar value, but a moderate relative reduction per capita, decreasing from $76.40 to $65.30 (-14.5%). It is noted that some conscious reduction in revenues, for example reducing capacity for third-party revenue streams in Parks, have also resulted in corresponding reductions to expenses.

Community Development

The City's efforts to support and build capacity among local organizations adds value to the community but is not easily represented through quantifiable outputs or metrics.

Although the title of Community Development is most closely associated with Culture services, Recreation also maintains resources on its team dedicated to delivering programming and supporting community-based organizations. Through these two sections, the City supports grassroots initiatives, cultivate leadership capacity in neighbourhoods, assists local sport organizations and much more. Individuals, organizations, and the broader community benefit from improved quality of life through the many activities and initiatives that take place beyond the four walls of a culture or recreation facility.

As such, the valuable impact of these efforts is not clearly demonstrated through traditional metrics such as attendance or registration data. While service levels for these functions exist, they may not fully articulate the value and complexity of working with organizations to understand their aspirations and strengths, provide on-going support, and work together to remove barriers and overcome challenges.

This work is important both in animating communities and in improving City relationships with community partners. If the City desires to explore the use of further partnerships in service delivery, the relationships and capacity built through the community development work is critical.

3.3.4.3 *Evaluation of Fairness*

Based on the information gathered overall, the City meets most criteria for fairness.

Stakeholder satisfaction with services are generally high across the business areas, as informed by public perception through surveys as well as from stakeholder engagement. However, stakeholders noted that these areas do not have a consistent City-wide approach to working with Partners which can create challenges with service delivery and overall transparency.

It appears the City provides prioritizes the provision of access to residents and service users and that fees to access recreation and culture services are more affordable relative to other jurisdictions. The FAP program is experiencing a greater reliance on the use of City funds to deliver access than it has historically. While lower fees and provision of the FAP under the current model provide access to recreation users, the current models may require greater reliance on municipal taxes to support current usage and future demand, which indicates potential challenges with long-term sustainability. This may put the City's ability to provide fair access at risk as the City continues to grow.

3.3.5 Environment

The impact on the context in which the City operates in terms of the short-to-medium term effects as well as long-term sustainability.

3.3.5.1 *Criterion: Recreation, Parks and Culture services contribute to desired community, social and environmental outcomes.*

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[52] *Financials and FTEs derived from financial data provided by the City.*

Metrics considered:

 — Stakeholder perception of quality of life;

 — Number of visitors attracted to cultural programming and events; and,

 — Growth in tree canopy.

Defined City Outcomes

Recreation, parks, and culture support the City's strategic goals and outcomes; however, further guiding direction and performance measurement capabilities may be required to ensure the City is able to assess their ability to meet these defined outcomes.

Generally, citizens perceive that these services contribute to their quality of life. Ninety-five percent of respondents in the 2019 citizen survey indicate they rate the overall quality of life as good or very good.[53] Recreation, parks and culture areas support a few City strategic goals:

 — *"A Chosen Destination".* Visitors and residents can enjoy parks, trails, and distinctive amenities all within "City within a Park". This also includes the attraction events that generate investment and enhance community identity.

 — *"A Socially Responsible City".* Offering a welcoming community were everyone can enjoy a high quality of life. The City focuses on providing access to all, delivered through programs such as the FAP, variety of programming and facility amenities, access to rentals, and affordability through the fees and charges model.

The City has developed a major events strategy in March 2021 which has two focuses, major sporting events and major arts / culture events. The City wants to be recognized as a top major event destination among mid-sized cities in Canada by 2030; the City has hosted several large events in recent years. Stakeholders noted further collaboration between service areas will be required to make this feasible, and there may be tension between local use and provision of services and being a premier destination.

Capacity to deliver was noted as a challenge as the number and scale of events continues to grow. Culture only has one dedicated resource for these events, and there are no dedicated resources in recreation. Often, who leads and facilitates events is based on who has the capacity at that point in time, rather than following defined roles based on the type of event. Culture also relies heavily on a single position to manage its entire event portfolio and there has been no cross-training or succession planning to capture historical knowledge of civic event planning. The City's ability to maintain its reputation for successful event hosting may be impacted if these underlying issues are not addressed.

Some visitor attraction information was tracked as part of large-scale events, such as the 2018 Hlinka Gretzky Cup and the 2019 Canada Winter Games. However, the metrics and collection methods employed are not consistent or easily comparable suggesting further work could be done to improve these capabilities.

The City has several outdated documents that are related to recreation, parks, and culture areas specifically. Stakeholders note the outdated nature of these documents provide gaps in strategic guidance and direction that is required for service delivery. These include:

 — Community Services Green Space and Facility Action Plan (2011)

 — Community Services Master Plan (1991)

 — Community Culture Master Plan (2001)

 — Red Deer Recreation Master Plan (1980)

 — Waskasoo Park Master Plan (1982)

 — Environmental Master Plan (2011)

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[53] *City of Red Deer Ipsos Citizen Satisfaction Survey.*

- Urban Forest Management Plan (2018)

The City has not measured targets for elements such as tree canopy cover as data for the baseline does not exist. They have identified criteria and targets for when that data is made available, around relative canopy cover, age distribution, species suitability and species diversity.

3.3.5.2 *Evaluation of Environment*

The City meets most criteria for environment.

Each of the business areas support the existing City strategic goals, outcomes, and guiding documents. However, there is a need to further define the outcomes of each of the areas and how these specifically contribute to the achievement of goals and priorities, and to assign performance metrics to allow the ability to measure performance.

In some areas, such as Parks, the City appears to be providing a higher level of service than comparators. This may be consistent with the City's desired outcomes, but it is also a significant driver of City costs.

4 Opportunities

4.1 **Opportunities Summary**

Through the analysis of the current state data, the benchmarking conducted, and engagement with internal and external stakeholders, several opportunities were identified for exploration. This section summarizes the opportunities identified with linkages to the key findings and supporting evidence. The opportunities also identify linkages to the value lenses, in terms of which lenses they are expected to improve.

Wherever possible given the data available, high-level estimates were provided for opportunities with quantifiable benefits. Estimates are indicative in nature, based on data and assumptions developed in collaboration with City stakeholders.[54]

Should the City decide to pursue any of the opportunities, it would require the City to conduct further work to refine and confirm the value of anticipated savings and/or revenue generation potential.

Twenty preliminary opportunities were identified for exploration and relate to one or more value lenses. Each opportunity is described in further detail in the next section and includes linkages to the key lenses of the Value for Money Framework that these opportunities are anticipated to improve value.

Table 14: List of Opportunities

Opportunities Identified	Effectiveness	Economy	Efficiency	Fairness	Environment
Reduce Tree Maintenance Costs		X			
Increase Naturalization of Existing Park Land			X		
Reduce Service Levels on Maintained Park Land					X
Increase Cost Recovery for Sports Fields Maintenance		X			
Redesign for Sustainability and Increased Equity of the FAP	X	X		X	
Refine Recreation and Culture Revenue Model				X	
Explore Revenue Generation Opportunities at Parks	X	X			X
Leverage Market Provision of Services		X	X		
Explore Reciprocal Use Agreements with Local Jurisdictions		X			

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[54] *Appendix C: Opportunity Assumptions, page 116*

Opportunities Identified	Effectiveness	Economy	Efficiency	Fairness	Environment
Explore Reciprocal Use Agreements with Institutions			X		
Enhance Coordination between Parks and City Planning		X	X		
Develop a Community Services Master Plan	X				X
Develop Master Plan & Strategic Guidance for Recreation	X				X
Develop Master Plan & Strategic Guidance for Culture	X				X
Develop Master Plan & Strategic Guidance for Parks	X				X
Develop a Partnership Framework	X			X	X
Standardize Partner Contracts / Agreements			X	X	
Clarify Roles and Accountabilities in Service Delivery	X		X		
Clarify Roles and Increase Coordination to Support Events Strategy			X		
Enhance Data Collection and Usage for Effective Decision Making			X		X

Source: Prepared by KPMG.

4.2 Opportunity Detail

4.2.1 Opportunity 1: Reduce Tree Maintenance Cost

Opportunity 1: Reduce Tree Maintenance Costs				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

The City has a higher cost of service provision for tree maintenance relative to the level of service provided. The City's maintenance of trees located along streets and other roadways (i.e., off-park assets) has the highest cost per tree relative to the comparators of Edmonton, Calgary, and Medicine Hat.

This opportunity explores how the City may decrease its ongoing costs to maintain trees, potentially through the use of contractors or the reduction of service levels. The cost analysis has been focused on a reduction in the City's street tree maintenance costs for illustrative purposes, as it is a dimension of park land maintenance costs with the greatest deviation from the comparator average.

Potential Benefits

- It is anticipated that this opportunity could result in a low impact on cost savings on an annual basis. The City's current cost to maintain street trees is $65 per tree, compared to the median of $39. A reduction in the costs per tree to maintain, by reducing total volumes or levels of service, may result in cost savings. A scenario analysis is summarized in Table 15.

Table 15: High-level Scenarios for Reduced Tree Maintenance Cost

Scenario 1: 5% Reduction	Scenario 2: 10% Reduction	Scenario 3: 20% Reduction
Annual savings of $36,500	Annual savings of $75,000	Annual savings of $150,000
Maintenance cost / tree: $62	Maintenance cost / tree: $59	Maintenance cost / tree: $52

Notes: Assumptions are provided in Appendix C: Opportunity Assumptions (page 122)
In all of these scenarios, the City would still have a higher cost per capita than comparators.
Source: Prepared by KPMG using information and indicative assumptions provided by the City.

- This may also improve the sustainability of tree maintenance costs, particularly as the City is looking to increase tree canopy coverage and species diversity as part of its Environmental Master Plan.

Ease of Implementation

- There are risks of negative stakeholder reaction to reduced levels of service, particularly since stakeholders indicate this service is very response driven.
- Service level changes would need to consider how tree maintenance contributes to the City's risk management of severe weather events. Safety and overall liability are key elements that will need to be considered and mitigated through the exploration of this opportunity.
- The City will need to ground reductions in strategies and formal level of service documents that communicate the expectations for levels of service and explain reductions.

4.2.2 Opportunity 2: Increase Naturalization of Existing Park Land

Opportunity 2: Increase Naturalization of Existing Park Land				
Effectiveness	Economy	**Efficiency**	Fairness	Environment

Opportunity Description

The City's cost per hectare to actively maintain park land is nearly ten times that of naturalized areas. Although the City has gradually been naturalizing some spaces over the years, along

busy roadways and berms, there is no formal target or strategy in place for the naturalization approach. Other jurisdictions, such as Edmonton, Calgary, Saskatoon, and Medicine Hat are looking to strategically approach naturalization as part of their financial and environmental sustainability goals.[55]

Naturalization refers to the process of converting actively maintained land to a more natural condition that requires less active maintenance and upkeep, such as mowing or turf maintenance. There are still some costs and effort required to maintain naturalized areas such as maintenance activities, including tree maintenance, weed inspections and collection of litter. There are additional costs to actively transition open spaces to a naturalized state, such as the cost to re-seed or introduce more trees and shrubs. Parks staff indicated that they believe it may take two years of increased costs before cost savings are realized on naturalized land.

The City may wish to formally define the approach related to naturalization in strategic documents (such as a Parks Master Plan). This approach may include considerations such as:

- **Site analysis:** The City may need to identify sites that are appropriate candidates for naturalization within the City. When exploring the appropriateness of sites, this may include questions such as:
- What is the park currently being used for and what are the activity types?
- Are there key areas of the park that are not designated for active recreation?
- Would this area be suitable for applying alternative landscaping techniques?
- **Initial discussions:** A key principle is engagement; engagement with the community fosters stewardship for the naturalization project.[56]

The City may also wish to formalize its naturalization goals into its strategic documents and guiding principles; this could be included as part of the Parks Master Plan, and the statutory planning processes as policy guidance for developers. This may also influence the prioritization of naturalization going forward in greenfield development areas as well as redevelopment plans.

Potential Benefits

- Reduced costs associated with maintenance per hectare of park land that is converted to a more naturalized state. It is estimated that this opportunity may have a moderate impact on annual cost-savings opportunities, once fully converted. Scenario analysis in Table 16 depicts the savings the City may realize in annual operating costs, once full conversation has occurred (i.e., after three years).

Table 16: High-level Scenarios for Increased Naturalization

	Scenario 1: 5% Naturalization	Scenario 2: 10% Naturalization
Hectares Naturalized	43 ha (over three years)	86 ha (over three years)
Annual Cost Savings	$230,000 estimated	$460,000 estimated

Note: Assumptions are provided in Appendix C: Opportunity Assumptions (page 122)
Source: Prepared by KPMG based on information and assumptions provided by the City.

- Environmental benefits include greater biodiversity, increased ecological benefits for local wildlife species, habitat generation, and enhancing soil quality, among others.

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[55] *City of Calgary Naturalization Strategy*
[56] *Calgary Naturalization Guidelines* https://www.calgary.ca/content/dam/www/csps/parks/documents/planning-and-operations/naturalization-guidelines.pdf *(Accessed July 2021)*

– There is potential increased alignment to City strategic guidance from the City's Environmental Master Plan, specifically to the Focus Area 1.2.2.4, with the goal to "protect and enhance the terrestrial and aquatic health of the natural heritage system". The metric is to "monitor the share of protected areas within Red Deer as a percent of the overall urban area, including natural areas and constructed natural areas".[57] The City currently has defined targets of 14% protected by 2035 and has identified a baseline of 8.59% as of 2018.[58]

Ease of Implementation

– There are additional costs to transition land to a naturalized state, such as costs to re-seed the land, plant trees and shrubs, etc. It is anticipated that costs to naturalize 5% to 10% of the City's actively maintained park land will cost approximately $150,000 to $300,000 in one-time costs.

– Stakeholders indicated that the City already receives many complaints about naturalized land, which may increase as the number naturalized areas increases. There may also be challenges associated with stakeholder acceptance.

– The transition to naturalized land will need to be well-grounded in a strategy to mitigate challenges related to public perception. The ecological and environmental benefits will need to be well communicated with residents. Processes to engage residents and community groups on potential candidate sites for naturalization may create a sense of ownership within the community.

4.2.3   Opportunity 3: Reduce Service Levels on Maintained Park Land

Opportunity 3: Reduce Service Levels on Maintained Park Land				
Effectiveness	Economy	Efficiency	Fairness	**Environment**

Opportunity Description

Current service levels for maintained areas entail a total annual direct operation cost per capita that is higher than the comparator average. This opportunity would first require the identification of areas where service level reductions on maintained park land may be appropriate given that priority areas, such as the downtown core, have strategic value in maintaining premium levels of service to support goals for economic development and community pride.

Changes to service levels may include reductions in frequency of mowing and trimming, changing the parameters for acceptable grass height, or shortening the mowing season. The application of a turf management product to regulate growth and thereby influence mowing frequency may also be contemplated. Use of such product may not be suitable for all areas, especially riparian and other ecologically sensitive areas.

Potential for unintended consequences of these measures should be considered, especially if they may inadvertently give rise to additional operational costs and impact realization of the target economic benefit.

Potential Benefits

– This opportunity may realize a reduction in costs associated with maintenance per hectare of actively maintained park land. For example, if the City reduced its mowing cycles from weekly to bi-weekly to match the frequency of comparators[59] it is

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[57] *Red Deer 2019 Environmental Master Plan*
[58] *Red Deer 2019 Environmental Master Plan*
[59] *Table 23: Culture, Parks and Recreation Financials in Alberta (2019), Appendix B: Jurisdictional Scan, page 98*

estimated that the City could save approximately $310,000 in annual operating costs. This assumes some key high-priority areas will remain on a weekly mowing cycle (approximately 25%).[60]

Ease of Implementation

– Changes in mowing service levels are visible to citizens and reductions may result in complaints or require significant communication and engagement prior to implementation.

– Identification of suitable areas for service level reductions, appropriate for the reduction strategy being considered, e.g., mitigate ecological impacts of potentially using growth regulators. For illustrative purposes, it is assumed there would be an upfront cost of approximately $100,000 to develop a reduction strategy and prepare communications materials (either through an external consultant or internal staff efforts).

– Stakeholders indicate there is potential to add more complexity to City parks operations with limited economic benefit due to unintended consequences of service level reduction techniques.

4.2.4   Opportunity 4: Increase Cost Recovery for Sports Fields Maintenance

Opportunity 4: Increase Cost Recovery for Sports Fields Maintenance				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

The City currently collects less sports field revenue per hectare than comparable jurisdictions.[61] In terms of operating costs related to sports fields, the City does not currently track this data and is unable to determine specific trends in costs. The City has not contributed data to the annual Yardstick Report around its cost to maintain grass sports fields for the last three years.

There may be opportunities to increase the cost recoveries associated with sports field maintenance by either reducing costs or increasing revenues charged. Cost savings may be achieved through reducing service levels or reducing hectares of sports fields maintained by the City. This could involve mowing only seasonally booked sports fields in advance of their use or concentrating bookings to a limited number of fields that would be mowed early.

The City may also explore opportunities to increase the fees charged at sports fields, as they generally appear to be lower relative to comparators. Due to data limitations, the ability to quantify the potential benefits of this opportunity are constrained but preliminary estimates are included below. This opportunity would require further analysis and exploration by the City to understand the full impact.

Potential Benefits

– If the City were to increase prices by approximately 25%, prices would be below the average price relative to other comparators.[62] Increases in prices of this level are anticipated to increase revenues by approximately $11,000 per year.[63]

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[60] *See assumptions in Appendix C, Opportunity Assumptions, page 105*
[61] *Yardstick Report 2021*
[62] *Figure 45: Outdoor Sports Field Rental Rates (2020), Appendix B: Jurisdictional Scan, page 106*
[63] *See assumptions in Appendix C, Opportunity Assumptions, page 106.*

‒ If the City were to decrease its portfolio of actively maintained park land (e.g., external parties take responsibility for sports field maintenance) by 10%, this may anticipate a savings of $35,000 annually.[64]

Ease of Implementation

‒ There are anticipated reputational risks and due to potential negative public perception around reduced service levels and/or increased share of user fees. This may also contribute to a longer implementation time in order to effectively communicate and manage public expectations.

‒ Stakeholders indicated that there are likely capacity limitations for partnerships to take on additional maintenance responsibilities of these sports fields.

4.2.5   Opportunity 5: Redesign for Sustainability and Increased Equity of the FAP

Opportunity 5: Redesign for Sustainability and Increased Equity of the FAP				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

The cost of delivering the FAP is increasing at higher rate than participant growth is occurring, and external funding is decreasing. The municipal contribution has increased to cover the shortfall using deferred revenues. If this trend continues reserves could be depleted within a few years and, without greater reliance on tax support, the FAP will not likely be able to meet the needs of residents who need the program the most.

Other jurisdictions have taken alternative approaches with their subsidy programs.[65] Some municipal comparators consider the value of an admission pass in the annual or semi-annual cap, while others include at least some element of co-pay.

There is an opportunity to redesign the FAP by exploring mechanisms to increase the sustainability and equity of the program, and to understand the total investment in providing access at the City. Management of the FAP recently moved to the Community Development section as part of the re-organization, due to key linkages to the Social Policy Framework, suggesting this would be an appropriate time to evaluate and ensure alignment.

It is recommended the following activities be undertaken to redesign the FAP:

‒ **Determine guiding principles and vision for the program.** This should be aligned with principles developed through a master planning process, the existing Social Policy Framework, and other analysis (e.g., GBA+ analysis) to articulate desired impacts on vulnerable or minority groups. The FAP can pivot to focus on providing access to those determined to be most in need from these guiding principles.

‒ **Undertake a full financial assessment** of the FAP before initiating the redesign. The City may need to evaluate the full cost of delivery to understand the full scope of changes required to sustain it. For example, considering foregone revenues, ongoing additional operational costs, and other considerations.

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[64] *See assumptions in Appendix C, Opportunity Assumptions, page 106.*
[65] *Fee Assistance Program (FAP) Fees, Appendix B: Jurisdictional Scan, page 106*

– **Determine program elements.** Redesign may consider co-pay, one-time application fees, consistency in eligibility criteria, usage limits, among other mechanisms. The City may also wish to visit the efficiency of current intake processes; currently, the City uses four processes to evaluate applications. Other jurisdictions have one intake process. Stakeholders also noted there may be opportunities to explore other sponsorships of the program, as well as community donation.

Potential Benefits

– It is anticipated that this opportunity could result in a low impact on cost savings on an annual basis. A scenario analysis is summarized in Table 17.

Table 17: High-level Scenarios for FAP Redesign

Scenario 1: Application Fee	Scenario 2: Co-Pay	Scenario 3: Supplement from Regular Fee Revenues
Nominal charge of $5 as an annual application fee	Phased approach with 5% increases to co-pay, to achieve 25% co-pay by Year 5	Increase Recreation and Culture revenues by 0.5% across admissions, rentals, and program fee and direct that portion to support FAP
Annual Revenue of $20,000	Annual Revenue of $4,000 (in Year 1) to $21,000 (in Year 5)	Annual Revenue of $34,000

Note: Assumptions are provided in Appendix C: Opportunity Assumptions, page 124.
Source: Prepared by KPMG using FAP information provided by the City.

– Restructuring the program to ensure limited resources are directed to participants with the greatest need may improve equitable distribution and fairness. It has the potential to provide greater benefit for a smaller subset who rely more acutely on the City's support.

Ease of Implementation

– Stakeholders note that the use of these different mechanisms may impact stakeholders in different ways. For example, reductions on program access may have a disproportionate impact on children who use the programs to access camps.

– Introducing even marginal levels of user fees as part of the City's historically free program would likely entail reputational risks as well as impacts to local populations already experiencing economic barriers.

– This would require dedicated resources or possibly external consultants to support with capacity. This will also likely require additional jurisdictional analysis and engagement, to supplement data identified in the benchmarking scan. It is estimated that this may require approximately $50,000 to $75,000 towards external consulting costs to support implementation.

– This will also require cross-functional resources, coordination and decision making. It is a cross-departmental team that owns the Fee Assistance Program. It is noted that it will require support from Finance to appropriately conduct a financial assessment.

4.2.6 Opportunity 6: Refine Recreation and Culture Revenue Model

Opportunity 6: Refine Recreation and Culture Revenue Model				
Effectiveness	Economy	Efficiency	**Fairness**	Environment

Opportunity Description

Many City facilities operate at low cost recovery rates, which have been declining in recent years. Stakeholders suggest that the economy and availability of similar services in the market are contributing factors. The City's admission fees and passes are consistently below their comparator averages.[66]

See **Leading Practices – Principled Approaches to Fee Structures** (page 115) for more information on Calgary and Edmonton's work to guide user fee deliberations.

A foundational document that underpins the revenue model for these services is the Recreation, Parks and Culture User Fees Guide. There may be an opportunity to conduct a comprehensive review of the City's fees and charges. Stakeholders indicate this must go beyond simply comparing whether fees and charges are appropriate relative to comparators. Rather, a comprehensive review should start with foundational principles that provide direction on the role of a municipality in delivering services, the use of user fees, etc. Once this work is complete, the City may revisit their planned approach to user fees and how that applies to various user groups.

While a critical component of the current model, fees and charges are not the only mechanism that could be explored to increase revenues and reduce reliance on tax support. Refinement of the revenue model may include:

- Development of a comprehensive marketing strategy and communication resources to increase awareness and utilization of existing programs and services;

- Investments in tools and dedicated resources to support relationships with current and potential sponsors as alternative revenue channels (e.g., Fee Assistance Program, targeted programs for underserved populations, specialty equipment, in-kind support, and promotion, etc.);

- Changes to the number and type of user fees to reduce complexity for users in determining which facilities to access and to appropriately charge fees to specific users;

- Revisions to the amount of user fees or discounts that are provided to charge fees at an appropriate level (e.g., increases to some fees, decreases to targeted populations or users);

- Revisions to definitions of what groups are eligible for discounts or specific rental rates to ensure the subsidized rate is reaching only the intended user group; and / or

- Revisions to tiered pricing to reflect demand (e.g., increasing primetime hours and rates to address high-usage periods).

Potential Benefits

- It is estimated that this opportunity could result in a medium impact on revenue generation on an annual basis. A scenario analysis is summarized in Table 18:

Table 18: High-level Scenarios for Refined Revenue Model

Scenario 1: 5% Fee Increase	Scenario 2: 10% Fee Increase	Scenario 3: 15% Fee Increase
Annual revenue of $270,000	Annual revenue of $470,000	Annual revenue of $670,000

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[66] *Figure 40: Recreation Facility Attendance by Municipality (2019), Appendix B: Jurisdictional Scan, page 103*

Opportunities

- The City may reduce barriers to attendance or participation by simplifying their fee structure, which may also reduce complexity from the processes to administer.
- The City may be able to more effectively target subsidized price points for groups that require this, while charging appropriate rates for other groups.

Ease of Implementation

- There may be pushback from citizens or user groups regarding changes to existing fees or rates, especially if service levels have not changed. The City would need to effectively communicate the evidence related to comparator pricing and the value of service levels. This change management strategy would need to convey that increasing revenue from user fees aims to address the current model's reliance on tax support for broad subsidization across all user groups. Increased revenues would lessen reliance on tax dollars and divert subsidies to those who need it most, likely through the FAP.
- This may consider how changes to pricing models may impact usage and demand. For example, there has been decreasing participation across City facilities. Increases to pricing may further exacerbate these challenges.
- Changes to rental rates may impact the ongoing ability of partners in supporting the City from a capital or funding contribution perspective. Stakeholders noted that it appears local sport groups benefit from low rental rates in the area, which are used to create reserves that fund capital projects or other initiatives at the City.
- A comprehensive review of fees and charges would require internal or external resources to support the necessary research and financial analysis, with a potential cost of approximately $50,000 to $75,000 if a consultant is contracted to lead the effort in coordination with related departments. It may take an estimated six months or more to complete depending on availability of internal resources.
- Marketing and sponsorship components would require internal or external resource to develop the necessary plans and tools. It would likely transition to ongoing internal resourcing to execute those plans and maintain relationships, especially in the case of sponsorship development. The estimated cost to pursue this component of the opportunity may entail the ongoing cost of such a position (approximately $80,000).

4.2.7 Opportunity 7: Explore Revenue Generation Opportunities at Parks

Opportunity 7: Explore Revenue Generation Opportunities at Parks				
Effectiveness	**Economy**	Efficiency	Fairness	**Environment**

Opportunity Description

Stakeholders indicated that there is an opportunity to view outdoor and public spaces as an asset that can help to offset costs. The City has existing examples engaging in commercial activities on park lands that have been successful, such as the concession area and private party rentals at Bower Ponds. Other jurisdictions, such as Sylvan Lake, have explored options to use 'mobile' concessions or vendors to mitigate challenges related to existing infrastructure or zoning requirements.

Park land is among the City's largest assets; however, it may not be utilized to its fullest potential. There may be opportunities to offset a portion of parks maintenance costs through opportunities such as:

Opportunities

- The use of vendors to deliver services or animate open spaces. For example, the City may explore additional partnerships with private sector entities to host concessions, equipment rentals, or programs at park spaces across the City.
- Hosting large-scale festivals or events through external users who pay a fee to use these spaces.
- Pursuit of a marketing strategy for some sponsorship opportunities, as appropriate.
- Increasing the rental / bookable space in City parks for private events such as weddings or corporate retreats.
- Exploring the use of fees for non-residents who utilize City parking spaces to access attractions or high-use areas (e.g., Discovery Canyon).

Leading Practices and Key Trends

Research on leading practices across municipalities suggests that jurisdictions are looking to pilot different ways of increasing revenues in parks / open spaces. Some may be smaller in scale, such as programming, while others are looking to establish more seasonal or permanent vendors to animate spaces.

Sylvan Lake currently allows vendors, such as food trucks or markets, to operate in Downtown Sylvan Lake based on seasonal, monthly, weekly, or daily permit rates.[67]

Barrie, Ontario has implemented a pilot called the "Business in the Parks" where vendors can come in and deliver registered programming or events in Parks spaces.[68]

Potential Benefits

- This may animate these spaces, encourage users to spend more time in parks or engage them in new ways, and contribute to overall quality of life and attractiveness of the City parks system.
- This may attract greater numbers of visitors to the region and contribute to the City's tourism goals.
- The City may benefit from additional revenue-sharing streams from vendors or commercial entities at these locations. Further analysis and market sounding would need to be conducted in order to quantify the potential benefits based on interest of third parties and availability of appropriate revenue-generating sites.

Ease of Implementation

- Stakeholders indicate there may be challenges related to zoning considerations for locating commercial activities on park lands, and there may be limitations related to existing infrastructure. To pursue this opportunity on a larger scale, there may be infrastructure requirements. There may be ongoing operational considerations, for example, increased garbage collection around vendor areas or other maintenance considerations.
- There are risks related to mobile vendor arrangements that could cause raise negative perceptions from existing vendors at fixed locations, e.g., the disparities of property tax implications, where competing mobile vendors do not pay these taxes.
- Parks is currently limited in its capability to identify or develop these type of opportunities as they do not have a dedicated parks programmer position who would pursue and facilitate these potential arrangements, as well as build relationships with viable sponsors. The estimated cost to pursue this opportunity may entail the ongoing cost of such a position (approximately $80,000 annually).

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[67] *Town of Sylvan Lake, Mobile Vending Business Permit Application: Public Land* https://www.sylvanlake.ca/en/business-development/resources/Documents/MVB-Public.pdf *(Accessed July 2021)*
[68] *City of Barrie, Ontario, Business in the Parks Pilot Program,* https://www.barrie.ca/Living/City%20Services/Pages/Business-in-the-Parks.aspx *(Accessed July 2021)*

– The estimated time to implement would depend greatly on the extent to which both the City and third parties are interested in pursuing this opportunity, which has yet to be determined, but some incremental progress could be achieved within an 18-month timeframe.

4.2.8   Opportunity 8: Leverage Market Provision of Services

Opportunity 8: Leverage Market Provision of Services				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

There has been a decrease in program attendance and program hours offered by the City, which is likely driven by numerous factors including economic conditions and disposable income, market provision, and a shift in demand. However, City programs have historically not been fully utilized; see in the Evaluation of Effectiveness section. A review of program utilization included pre-pandemic data, so this finding is not impacted by any limitations of the COVID-19 public health restrictions. There may be duplication of program offerings across those offered by the City and those provided within the market, as described in the Market Provision of Services section. Adults are a well-served market within the City's recreation and culture ecosystem.

Leading Practices and Key Trends

The City is not alone in its attempts to find the **appropriate balance of supply and demand**. Many jurisdictions admit to being challenged in deciding which programs and services should be provided directly by the municipality – both when determining which new programs/services to add or which ones to discontinue.

There can be a paradox in service provision – while a municipality providers services that are 'over-served' by the market, such as adult programming, these programs also provide sources of revenue for the municipality. This reflects an intentional decision a municipality must make – if they truly are in the business of providing access, this may mean they incur greater costs to deliver services that deliver less revenues (e.g., seniors and community programming) and / or they make up revenues in other ways (e.g., higher charges for over-served markets).

COVID-19 may have accelerated a shift in the way people choose to engage in recreation activities, i.e., preference for online or self-led programs, or activities conducted in open spaces.

This opportunity looks to align the levels and type of programming delivered by the City with community need, as driven by demand and overall availability of similar offerings in the market. This may result in the reduction of service levels for certain types of programming, or the use of external providers to deliver these services on behalf of the City.

The City also provides community and neighborhood development activities, in the form of supporting local not-for-profit organizations to build capacity. There may be opportunities for the City to strategically determine how to support targeted entities to build their capacity for program delivery within the community. There are challenges associated with use of external providers to deliver services, such as service quality and consistency, increased liability, and potential inability for partners to deliver at agreed upon levels of service. The support provided by the City to develop the community is critical in achieving partnerships that fulfill these types of requirements. Stakeholders indicated that if local organizations are unable to

fulfill their roles providing service, the community expects the City to assume the role of direct delivery.

Potential Benefits

- This opportunity is supportive of local businesses and organizations that can meet recreation and culture needs. It means the City will have supported the community and grassroot interests to sustain third-party service delivery.

- The City may be able to save costs to deliver programming over time if they reduce the amount of programming hours offered, i.e., either through direct program reductions, or through delivery by community partners. Anticipated direct cost savings could not be estimated at this time due to the City's data limitations around actual program costs.

Ease of Implementation

- There are risks around public perception of service level changes that would require the City to clearly communicate how residents' needs can be met through the recreation ecosystem, i.e., a combination of both municipal and market service provision.

- Programs and services for different demographics entail varied levels of subsidized participation, e.g., seniors versus adults, under the current fees and charges structures. As a result, changes to the City's delivery model and potentially shifting to address underserved demographics may impact cost recovery efforts.

- There are current challenges with obtaining data to evaluate actual program expenditures relative to program costs. The City may need to develop this capability to fully understand the cost savings implications or overall need for program reductions, and the level of required reductions.

- The time to implement these proposed changes will depend on the scope of service level changes and interest among market providers to take on that share, however, incremental progress could be obtained within the initial year. Estimated implementation costs could consider the use of internal resources and may likely fall below the lowest threshold used in the prioritization framework.

4.2.9　Opportunity 9: Explore Reciprocal Use Agreements with Local Jurisdictions

Opportunity 9: Explore Reciprocal Use Agreements with Local Jurisdictions				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

The City does not currently have formal mechanisms available to assess opportunities for regional collaboration in its programming or facility usage to maximize regional benefit. Geographically, the City is growing closer to other municipal boundaries, especially Blackfalds. Stakeholders indicated that the proximity presents an opportunity to strategically think about meeting the needs of service users that often live, work, and play across municipal borders.

The City currently has a reciprocal use agreement with Red Deer County which stakeholders described as effective, however there could be more rigor applied to reviewing the actual benefits realized on both sides.

In order to find potential efficiencies, the City would need to identify opportunities to enter into reciprocal use agreements with local jurisdictions to increase participation or attendance at

Opportunities

City facilities. This may explore reciprocal use of existing facilities in other local jurisdictions to accommodate usage at primetimes and/or niche programming needs. This opportunity could include the development of an established process or formula to guide reciprocal use agreements with local jurisdictions.

Potential Benefits

- These agreements may increase overall use and attendance at City facilities and support capacity issues with City facilities, by shifting some usage to other facilities with lower utilization.
- This opportunity looks to provide greater choice and access for residents across jurisdictions, regardless of where they live, which may include access to and use of more types of facilities and amenities than was previously accessible.
- Guidelines or a process for such agreements could promote consistency in these types of arrangements and work to ensure the arrangements are mutually beneficial through effective metrics and reporting.

Ease of Implementation

- There is likely a need for an internal task force, involvement at the political level, and cross-functional representation to develop these agreements and to initiate negotiation with other jurisdictions.
- There is likely a relationship development piece with local jurisdictions that may need to be established first over time before a formal agreement can be realized. This may take time to implement over several years.

4.2.10 Opportunity 10: Explore Reciprocal Use Agreements with Institutions

Opportunity 10: Explore Reciprocal Use Agreements with Institutions				
Effectiveness	Economy	**Efficiency**	Fairness	Environment

Opportunity Description

The City already has reciprocal use agreements with other entities (e.g., as the Joint Use Agreements with local school boards) where parties can access each other's facilities to increase overall usage and meet their defined requirements. The City has existing relationships with some entities and institutions in the area that may facilitate new opportunities to explore reciprocal use agreements.

Pursuit of this opportunity includes the identification of prospective local institutions with an interest in entering into reciprocal use agreements to increase participation or attendance at City facilities. This may also explore reciprocal use of facilities and alignment of programming with local organizations (such as Red Deer College) to complement existing facilities and programming.

Opportunities

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Leading Practices and Key Trends

In a 2015 survey, many municipalities report collaborations with non-profit organizations (94%), schools or school boards (86%), provincial government/agencies (75%) and business / private sector (71%) when developing physical activity and sport activities.[69] Interestingly, communities in Ontario and the Atlantic region are "less likely than the national average to have agreements with schools or school boards regarding shared use of facilities".[70]

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Potential Benefits

- This may maximize usage of existing facilities, especially outside of prime times, and programming capability across both entities to meet demand and reduce potential duplication between municipal and market provision.
- Providing access to students from Red Deer College, for example, may increase awareness of other City programs and services while on site.

Ease of Implementation

- This opportunity would require internal resources to continue to develop relationships with prospective local institutions and negotiate mutually beneficial arrangements.
- The time to implement is estimated to be a multi-year effort with limited associated costs in the form of internal resources.

4.2.11 Opportunity 11: Enhance Coordination between Parks and City Planning & Growth Engineering Services

Opportunity 11: Enhance Coordination between Parks and City Planning				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

Stakeholders indicated that after the City's re-organization and due to current vacancies, there are challenges with internal processes within Parks to review referrals received from the City Planning and Growth Engineering Services section. Stakeholders also indicated there are currently some challenges with communication between departments related to development processes as well, such as the City's Planning and Growth Engineering services. These challenges appear to culminate in differing perspectives as to whether Parks can influence development decisions that directly impact its on-going maintenance costs.

The City should consider increasing the coordination and formalize communication mechanisms between Parks and the City Planning and Growth Engineering Services section to consider, and potentially reduce, the ongoing cost of parks maintenance in new developments.

This may include the review of roles and accountabilities within the Parks section to ensure there are coordinated and consistent processes with respect to referrals reviews. This could also include the development of formal communications mechanisms between departments to ensure the timely involvement of Parks to facilitate effective decision making and inform on-going maintenance requirements. For example, the sharing of capital and operational

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[69] *Canadian Fitness and Lifestyle Research Institute, Municipal Opportunities for Physical Activity, Bulletin 1: Networking with Partners for the Provision of Physical Activity Opportunities, 2015*
[70] *Canadian Fitness and Lifestyle Research Institute, Municipal Opportunities for Physical Activity, Bulletin 1: Networking with Partners for the Provision of Physical Activity Opportunities, 2015*

plans with the Parks group at earlier stages may improve the City's ability to appropriately anticipate and plan for support.

Potential Benefits

– Increased efficiencies in internal review processes and referrals to ensure that the appropriate insights are being provided.

– Increased information sharing earlier in the process will enable efficient response, ability to plan, and even to respond earlier with concerns or potential changes to mitigate additional costs or inefficiencies.

– Potential to manage the ongoing maintenance costs of parks more effectively in new developments.

Ease of Implementation

– The recent re-organization has created challenges in understanding the 'baseline' for how these service areas integrate, given there have been many transitions into new roles within the Parks department. More time may be required to adequately identify challenges and key adjustments that are required to address them.

– The time and cost to implement this administrative opportunity are anticipated to be nominal.

4.2.12 Opportunity 12: Develop a Community Services Master Plan

Opportunity 12: Develop a Community Services Master Plan				
Effectiveness	Economy	Efficiency	Fairness	**Environment**

Opportunity Description

There is an opportunity for the City to develop an updated Community Services Master Plan that sets the foundational principles for the subsequent Recreation, Culture and Parks Master Plans. The proposed document should be strategic in nature and at a level that determines key guiding principles for each of the service areas within. Stakeholders noted that this document should not be prescriptive or tactical in nature, especially considering the breadth of scope within the Community Services division. This document is foundational to the development of subsequent strategic plans for each of the areas as it will provide the required guidance and direction to which the strategic plans should be aligned.

The City may also wish to develop a framework or intended plan for all required subsequent documents that underpin the Community Services Master Plan and identify how this document directly supports higher order strategic goals and other of the City's guiding frameworks, such as the existing Social Policy Framework.

Potential Benefits

– This opportunity would see high-level strategic and guiding principles in place to which each business area can align and use to inform their own strategic directions. The City may realize greater alignment, once the relationships between the business areas, the City's overall strategic plan and other existing guiding documents are mapped and identified.

– Receiving Council approval for core principles would allow Administration to ground future business decisions in long-standing guidance to strengthen their justifications.

Ease of Implementation

– The Community Services Division includes departments that are outside of the scope of this review; however, it is noted that there is significant cross-functional coordination and comprehensive stakeholder engagement that must occur.

– This would likely require the development of a dedicated team, or support of external consultants, to bring these various perspectives together. It is estimated that external costs of approximately $150,000 would be associated with pursuit of this opportunity.

– Given these factors, it is anticipated this may take a moderate period to implement, which may impact the timing of the creation of other pressing documents, such as the strategic documents for recreation, parks and culture, described in Opportunities 13, 14, and 15.

4.2.13 Opportunity 13: Develop Master Plans & Strategic Guidance for Recreation

Opportunity 13: Develop Master Plans and Strategic Guidance for Recreation				
Effectiveness	Economy	Efficiency	Fairness	**Environment**

Opportunity Description

Recreation currently relies on a variety of internal and external documents to inform its approach to service delivery in the community. Currently, there is no consolidated strategic guidance in the form of a plan or set of principles that ties these documents together. Further, the existing Recreation Master Plan has not been updated since its development in the 1980s.

This creates a foundational gap in the understanding of the role of the City in recreation and the desired outcomes the City is looking to achieve, including guidance around priority user groups, target operating models and longer-term facility planning. Stakeholders identified that this could create challenges in the ability to make effective decisions regarding service delivery, to track performance against and to achievement of desired outcomes.

There is an opportunity for the City to clearly define its mandate, role, and desired outcomes for the delivery of recreation services. This may be achieved through a suite of guiding documents or plans, such as strategic goals and outcomes, guiding principles and master planning documents. Approaches to strategic planning and the content covered varies by municipality, however the core elements may include:

– Defining the role of the municipality in service provision, including where the City plays and where the market is left to deliver;

– Identifying target demographics and users of priority;

– Setting objectives, outcomes, and appropriate metrics for success;

– Articulating when and how various operating models may be used to achieve defined outcomes and priorities;

– Identifying future need against these parameters and developing a master plan to address needs, including facility planning and need against current and future inventory; and,

– Setting the conditions for future regional coordination.

The development of a Master Plan and strategic guidance should first establish the overall mandate and direction for the area, and then look to align how service delivery will meet this mandate given community need. This may include evaluating service provision in terms of service levels, and things like facility or amenity provision. For example, the City may realize there are opportunities to either reduce existing amenities where there is over-provision (such

as outdoor rinks or courts) to reduce operational costs, or similar impacts to the planning of additional amenities in community growth.

Development of these guiding documents should align to the overall principles as identified in a Community Services Master Plan. It would also be closely aligned with the development of Culture strategic guiding documents, in terms of the City's key groups and areas of priority. For example, these service areas may define the users that the City is mandated to deliver types of services to, and each area may determine their own principles for how those services may be delivered under that broader guidance. These plans should also work in coordination with the defined Partnership Framework, which articulates how and when the City works with external organizations in service delivery.

Potential Benefits

- Guiding principles would allow Recreation to make decisions regarding service planning and service delivery in a more effective, economical, and efficient way by delivering City services to those that have been determined to have the most need. The City's role would also be clearly more defined within the recreation ecosystem, allowing Recreation to make programming decisions that provide the greatest benefit to the desired audiences.

- The City would be able to clearly articulate the outcomes and objectives to be achieved through the delivery of recreation services, and how those contribute to broader City strategic goals and priorities.

Ease of Implementation

- The timing of Council Budget cycles (bi-annual) may make it challenging to obtain the proper approvals to move this forward, given interdependencies with precursor plans such as the identified Community Services Master Plan.

- Depending on the extent of the strategic guidance document, it may entail comprehensive stakeholder engagement, including both service users, community groups, and possibly even local market providers.

- The City would need to further their understanding of the current and future ecosystem of recreation within the City to appropriately evaluate need to establish their mandate for service delivery as well as internal delineation of roles and accountabilities, as described in Opportunity 18 (page 69).

- This would likely need dedicated resources or the support of external consultants to complete. External costs of approximately $120,000 may be required to implement this opportunity.

4.2.14 Opportunity 14: Develop Master Plans and Strategic Guidance for Culture

Opportunity 14: Develop Master Plans and Strategic Guidance for Culture				
Effectiveness	Economy	Efficiency	Fairness	**Environment**

Opportunity Description

The most recent strategic guidance documentation, the Culture Master Plan, was completed by the City in 2001 and no longer reflects the current Red Deer. A combination of outdated plans and other internal resources, such as the User Fee Guide, are used to inform decision making in this service area. Stakeholders have identified that there is a key gap in mandate that creates challenges in making decisions around what services are delivered, to whom, and through what mechanisms.

Opportunities

There appears to be an opportunity for the City to clearly define its mandate, role, and desired outcomes for the delivery of culture services. This may be achieved through a suite of guiding documents or plans, such as strategic goals and outcomes, guiding principles and master planning documents. Approaches to strategic planning and the content covered varies by municipality, however the core elements may include:

— Defining the role of the municipality in service provision, including where the City plays and where the market is left to deliver;

— Identifying target demographics and users of priority;

— Setting objectives, outcomes, and appropriate metrics for success;

— Articulating when and how various operating models may be used to achieve defined outcomes and priorities;

— Identifying future need against these parameters and developing a master plan to address needs; and,

— Setting the conditions for future regional coordination.

Development of these guiding documents should align to the overall principles as identified in a Community Services Master Plan. It would also be closely aligned with the development of Recreation strategic guiding documents, in terms of the City's key groups and areas of priority. For example, these service areas may define the users that the City is mandated to deliver types of services to, and each area may determine their own principles for how those services may be delivered under that broader guidance. These plans should also work in coordination with the defined Partnership Framework, which articulates how and when the City works with external organizations in service delivery.

Leading Practices and Key Trends

The **City of Kelowna's** Cultural Plan emphasizes the value of connections; it aims to share its story, broaden its reach into other sectors and convene local organizations.[71] Efforts such as dedicated promotion and marketing, an Artist in Residence program and the Kelowna Arts and Culture Roundtable are examples of tangible activities that support the stated evaluation criteria.

Potential Benefits

— Guiding principles would allow Culture to make decisions regarding service planning and service delivery in a more effective, economical, and efficient way by delivering City services to those that have been determined to have the most need. The City's role would also be more clearly defined within the arts and culture ecosystem, allowing Culture to make programming decisions that provide the greatest benefit to the desired audiences.

— The City would be able to clearly articulate the outcomes and objectives to be achieved through the delivery of culture services, and how those contribute to broader City strategic goals and priorities.

Ease of Implementation

— The timing of Council Budget cycles (bi-annual) may make it challenging to obtain the proper approvals to move this forward, given interdependencies with precursor plans such as the identified Community Services Master Plan.

— Depending on the extent of the strategic guidance document, it may entail comprehensive stakeholder engagement, including both service users, community groups, and possibly even local market providers.

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[71] *City of Kelowna, Culture Plan 2020-2025, kelowna_2020-2025_cultural_plan_-_page_by_page_-_compressed_low_res_-_for_website.pdf (Accessed August 2021)*

- – The City would need to further their understanding of the current and future ecosystem of recreation within the City to appropriately evaluate need to establish their mandate for service delivery as well as internal delineation of roles and accountabilities, as described in Opportunity 18 (page 69).
- – This would likely need dedicated resources or the support of external consultants to complete. External costs of approximately $120,000 may be required to implement this opportunity.

4.2.15 Opportunity 15: Develop Master Plans and Strategic Guidance for Parks

Opportunity 15: Develop Master Plans and Strategic Guidance for Parks				
Effectiveness	Economy	Efficiency	Fairness	**Environment**

Opportunity Description

The City maintains several site-specific planning documents but lacks overall strategic guidance in the form of a plan or set of principles that define the role of the City in parks services and the desired outcomes the City is looking to achieve, including guidance around priority setting, target operating models and longer-term asset planning.

Stakeholders identified that this could create challenges in the ability to make effective decisions regarding service delivery and being able to track performance against and achievement of desired outcomes. There are challenges within the department due to gaps in policy, such as naturalization, tree preservation and compensation, performance metrics, etc.

There is an opportunity for the City to clearly define its mandate, role, and desired outcomes for the delivery of parks services. This may be achieved through a suite of guiding documents or plans, such as strategic goals and outcomes, guiding principles and master planning documents. Approaches to strategic planning and the content covered varies by municipality, however the core elements may include:

- – Defining the role of the municipality in service provision, including where the City plays and where the market is left to deliver;
- – Identifying priority areas and targets;
- – Setting objectives, outcomes, and appropriate metrics for success;
- – Articulating when and how various operating models may be used to achieve defined outcomes and priorities;
- – Identifying future need against these parameters and developing a master plan to address needs; and,
- – Setting the conditions for future regional coordination.

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Leading Practices and Key Trends

System-wide park master plans grounded with a fairness perspective support higher-order goals by promoting access to programs, facilities, places, and spaces inclusive of all demographics or abilities. When master plans and processes are focused on community engagement, equity and inclusion, they are tools for jurisdictions to understand and address historical and current barriers to participation with the goal of delivering "quality parks and green space, recreation facilities and programs that are safe, inclusive, culturally relevant and welcoming."[72]

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Strategic guidance for Parks should facilitate focused decision making around planning and maintenance and form the grounds to communicate service levels and priorities to residents. A strategy that encompasses stakeholder input will assist in the mitigation of negative stakeholder reaction to potential initiatives, such as increased naturalization or adjustments to sports field maintenance.

Development of these guiding documents should align to the overall principles as identified in a Community Services Master Plan. It would also be closely aligned with the development of Recreation strategic guiding documents.

Potential Benefits

    – Guiding principles would allow Parks to make decisions regarding service planning and delivery in a more effective, economical, and efficient way. The City's role would also be more clearly defined within the park and outdoor amenity ecosystem, allowing Parks to make maintenance and partnership decisions that provide the greatest benefit to the desired outcomes.

    – The City would be able to clearly articulate the outcomes and objectives to be achieved through the delivery of parks services, and how those contribute to broader City strategic goals and priorities.

Ease of Implementation

    – The timing of Council Budget cycles (bi-annual) may make it challenging to obtain the proper approvals to move this forward, given interdependencies with precursor plans such as the identified Community Services Master Plan.

    – Depending on the extent of the strategic guidance document, it may entail comprehensive stakeholder engagement, including both service users, community groups, and possibly even local market providers.

    – The City would need to further their understanding of the current and future ecosystem of recreation within the City to appropriately evaluate need to establish their mandate for service delivery as well as internal delineation of roles and accountabilities, as described in Opportunity 18 (page 69).

    – This would likely need dedicated resources or the support of external consultants to complete. External costs of approximately $120,000 may be required to implement this opportunity.

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[72] *Creating equity-based system master plans | Best practice resources | Publications and research | NRPA. (n.d.). Parks and Recreation, Park and Rec | National Recreation and Park Association. https://www.nrpa.org/publications-research/best-practice-resources/creating-equity-based-system-master-plans/ (Accessed August 2021)*

4.2.16 Opportunity 16: Develop a Partnership Framework

Opportunity 16: Develop a Partnership Framework				
Effectiveness	Economy	Efficiency	**Fairness**	**Environment**

Opportunity Description

The City currently manages more than 325 contracts with organizations, with varied levels of experience and sophistication in their operation, through a variety of partnership types across Recreation, Parks and Culture.[73]

Under the City re-organization, the responsibilities associated within managing these partnerships were transferred across business areas. Many of these partnerships are complex and work with City representatives across multiple interrelated areas. Stakeholders have indicated they are looking for greater communication and engagement opportunities with the City and are looking for increased transparency around how the City determines how they partner with organizations and its process for enhancing or formalizing new partnerships.

The City should develop a framework that outlines the parameters for which the City uses partners to deliver services. This may include criteria for entering partnerships, agreement and performance requirements, and parameters within which the City may discontinue a partnership. This document should provide the 'goal-posts' for the City's approach to working with partners. For example:

- What is the City's stance on for-profit partnerships?
- Should the City use partnerships to reduce costs?
- What are the criteria used to evaluate potential and on-going partners?

There may need to be identification and delegation of accountability between Council and Administration for entering and managing partners (e.g., Administration has the authority to determine when to enter or end partnerships). This work would complement the City's upcoming review of its current Community Development Grant program which proposes implementation of streamlined categories and a consistent process for standardizing applications, adjudication, and authority.

Potential Benefits

- This opportunity would aim to provide greater transparency, clarity, and consistency, as desired by both internal and external stakeholders. It may also reduce the potential for perceived bias in Administration's dealing with current and potential partners.
- A clearer demonstration of alignment to strategic goals, such as updated strategic guidance plans and / or policies across Culture, Parks and Recreation.

Ease of Implementation

- Requires time and resources to develop. Internal stakeholders indicate something of this nature and complexity may take six months to a year.
- Stakeholders indicated that the current variety in scope and scale of partnerships may present challenges in defining appropriate categories or levels of partnership.
- Stakeholders noted that the City may wish to think of this framework beyond just the three service areas identified under this review, given that partners are involved in

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[73] *Service level documents provided by the City.*

other aspects of City operations and initiatives. There is likely a great deal of cross-functional alignment that will need to occur.

4.2.17 Opportunity 17: Standardize Partner Contracts / Agreements

Opportunity 17: Standardize Partner Contracts / Agreements				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

The City has been working to standardize the templates and contracts used for partners. However, there still is variability between different types of partnerships and agreements; stakeholders note that managing partners at the City is complex and difficult to understand due to the unique nature of many relationships. Recent staff turnover has led to significant time investments in acquainting new champions to their partner organizations.

The City has worked to implement a contract management system to facilitate the management and tracking of partnerships. This reports on upcoming deliverables and other requirements. The City is also preparing to conduct Community Development Grant program review to promote greater transparency and levels of standardization from the intake process onward.

The City would need to invest more resources towards the standardization of components, processes and accountabilities within partner agreements and contracts to enhance clarity and accountability between parties. This may include a process, criteria, and parameters to update existing contracts or agreements. It would involve creating formal processes for the intake and updating of partnerships according to the type of agreement or contract (as defined in the Partnership Framework, see Opportunity 16, page 67). All similar agreements and partners should receive similar treatment from the City.

Potential Benefits

– Standardization in this area would promote greater transparency and consistency for both internal and external stakeholders and improve City liaisons' ability to manage multiple partners with clear expectations on all sides.

– Standardization may contribute to more proactive response to contract management, resulting in fewer ad hoc decisions and overall increased efficiencies in management.

Ease of Implementation

– Given the volume of current contracts and the variety between them, it is estimated that this would require some dedicated resources to coordinate. Contract templates appear to be developed outside these service areas, suggesting that collaboration with the legal and procurement departments would be required.

– In order to mitigate negative feedback from current partners and the public, clear and timely communication around the rationale and process for standardization. Advanced notice of any planned changes to partnership agreements would need to be would need to be communicated to partners so they can budget and plan accordingly.

– It is anticipated that implementation could be completed within 12 months and assumes capacity of existing internal resources would be allocated to this initiative.

4.2.18 Opportunity 18: Clarify Roles and Accountabilities in Service Delivery

Opportunity 18: Clarify Roles and Accountabilities in Service Delivery				
Effectiveness	Economy	**Efficiency**	Fairness	Environment

Opportunity Description

There have been many changes in roles and accountabilities across the business areas following the reorganization. Feedback from both internal and external stakeholders noted there is a need to clarify the mandate of each area, their role in specific processes and how these areas work together. For example, partners who have agreements or contracts with the City indicate that they often interact with numerous business units, and that they don't always know who to approach for specific tasks or assistance. Other challenges include that these contacts do not always have the authority to be able to make decisions in those conversations or interactions with partners.

There are also challenges related to capacity as a result of shifting roles and accountabilities. For example, in addition to regular maintenance and special projects (Capital Projects) Facilities has undertaken a portion of the portfolio for recreation facility operations. Internal stakeholders noted there are staffing challenges and constraints currently with the number of projects, and these challenges may be exasperated by additional roles and responsibilities around facility operations. Stakeholders also expressed a need to update policies, and procedures now that these areas have new reporting structures and new business objectives; many documents were previously developed across the former structure (recreation, parks and culture) and there is a need to recognize new operational needs and guidance given the new structure.

The jurisdictional review indicates that there is no one structure that is consistently used for delivery. Some jurisdictions have these areas in one department, while others have Recreation and Culture together and Parks with Public Works. In those that similarly have culture, parks, and recreation in separate departments and/or divisions noted that explicit roles and mechanisms for communication and collaboration were critical success factors. Some relied purely on leadership personalities and employees with experience across the various departments but acknowledged those are limited / would benefit from more established mechanisms as staff inevitably transition.[74] see Organizational Structure in Appendix B: Jurisdictional Scan (page 116).

Pursuit of this opportunity would further clarify roles or accountabilities between business areas in the delivery of services. This may include clarifying the mandate or role across business areas, such as roles in managing or supporting partnerships across Recreation, Culture, and Parks. This also may include formalizing accountabilities for maintenance activities, clarifying responsibilities between business areas and areas such as Facilities or Public Works.

Potential Benefits

− Reduced duplication or gaps through clear communication and accountabilities, potential for identifying externalities or opportunities for increased collaboration / consultation.

− Clarity for others (such as partners) working with the City on what to expect, from which groups.

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[74] *Organizational Structure, Appendix B: Jurisdictional Scan, page 108*

- The organization is still in a period of transition, and in many cases the full extent of what needs to be updated or where there is ambiguity across areas may not yet be known.
- The anticipated time and cost to implement this opportunity will depend on the identified areas for clarification but are estimated as achievable within 12 months using existing internal resources.

4.2.19 Opportunity 19: Clarify Roles and Increase Coordination to Support Events Strategy

Opportunity 19: Clarify Roles and Increase Coordination to Support Events Strategy				
Effectiveness	Economy	**Efficiency**	Fairness	Environment

Opportunity Description

The City is focused on two general types of events, the 'Major Events' as outlined in the strategy, and community focused events. Generally, Land and Economic Development are focused on the delivery of the 'Major Events', whereas Culture supports more of the community-based events. However, there is crossover required across many types of events and greater collaboration may be needed.

Land and Economic Development created a tool that helps to review and assess external event applications through to the appropriate department. However, greater communication about events is required. Often, departments are not notified until a permit comes through and there may be instances where events are booked concurrently that impact each other.

The City would need to identify its role in events, and what is required in that role based on the type of event (e.g., when is the City a driver versus a contributor or a sponsor, and what does that participation look like). This could include assigning responsibility for developing a comprehensive marketing strategy and ongoing relationship building with current and potential sponsors.

Ideally, the City could identify key resources in each area to have formal event supporting capabilities and to act as a liaison or part of a cross-functional team when mobilized for events of an appropriately defined scale. This would likely involve the formalization of cross-functional events planning / execution teams, including formal channels of communications regarding events of all types.

Potential Benefits

- Increased coordination between business areas in the delivery of events, clarification of roles and defined organizational processes would support the execution of the Major Events Strategy to achieve the goal of becoming a premier destination of choice.
- Greater ability to have the appropriate departments delivering and executing events that are within their subject matter expertise. It would also build capacity to support events throughout City departments, not just relying on one or two areas.

Ease of Implementation

- Exploration of this opportunity would impact departments outside the scope of culture, parks and recreation service areas and would require a cross-functional teams to contribute and / or lead this process.

– There may be additional resourcing requirements needed to build out this capacity across services areas, as this was noted by stakeholders as a current area of constraint.

– The City's ability to secure sponsorships for events, similarly for the FAP and / or parks, depends on dedicated resources for long-term relationship management and cultivation of prospective partners. Should the City choose to pursue sponsorship in a number of these areas, it may necessitate a corporate strategy or framework to ensure consistency and transparency across departments.

4.2.20 Opportunity 20: Enhance Data Collection and Usage for Effective Decision Making

Opportunity 20: Enhance Data Collection and Usage for Effective Decision Making				
Effectiveness	Economy	Efficiency	Fairness	Environment

Opportunity Description

There are limitations with the current collection and use of data as it is related to decision-making in these service areas. There are constraints associated with data that is available around service delivery, including obtaining sufficient detail related to financial or performance data. For example, in the scope of this review, data to assess actual program costs, fill rates and delivery to specific demographics (e.g., seniors) was not available. Detailed costs related to Parks Maintenance in naturalized areas, sports field maintenance, or even identifying all costs as related to urban encampments etc. were unavailable based on tracked financial data. In some cases, there appears to be multiple sources of data or information that is being used.

There may also be limitations within existing systems. For example, it was noted that while Intelli tracks and hosts a variety of information, it can be challenging to pull specific data or information required without significant time and manual effort. From a facilities management perspective, it was noted that systems do not integrate, and it can be challenging to reconcile information against the asset management and work order system. These are examples of the limitations in place that can create challenges for the areas to use data in effective decision making.

Stakeholders also noted that there is currently limited ability to effectively use analytics and performance measures to inform decisions. For example, the way data is currently tracked around fill rates was noted by stakeholders as not providing an accurate assessment of actual fill rates, as total maximums may be set intentionally high to allow for greater participation in the program. This may make programs seem less utilized when they are high demand program types. There may be opportunities to refine the data collected, articulate what metrics should be captured, and further use analytics to refine programming and service delivery decisions. It is important first, though, that these data issues are identified and rectified as a precursor before target setting or analytics are explored further.

Recreation has initiated this work by identifying performance measures that will assist with operational decision-making around programs and services delivered. With the Division reorganization, the Business Intelligence Support Section was specifically resourced to provide better data for management decisions. This work is preliminary in nature, as the areas are working to develop capacity and systems in place that will further support and enable this work.

Potential Benefits

– Improved ease and reliability of reporting on cost recovery for various programs and services, in tandem with the review of service area mandates, could inform decisions to expand, cut or adapt delivery.

– Increased understanding of performance in all three service areas could identify with greater specificity which service components should be addressed across all five value lenses.

– Ability to fully contribute data to all Yardstick Report indicators (or other similar comparative assessments) could provide the City and its comparators a better picture of their relative performance across more components of parks service delivery.

Ease of Implementation

– This opportunity includes linkages to the development of strategic documents for each service area to inform the appropriate data and metrics that will be most relevant to measure and, in turn, influence key decisions.

– Exploration of this opportunity would impact departments outside the scope of culture, parks and recreation service areas and may require a cross-functional teams to contribute and / or lead this process.

Leading Practices & Key Trends

Many jurisdictions are in the process of identifying gaps in data and metrics, to assist with decision-making process in Culture, Recreation and Parks services. There are opportunities for the City to further identify what data should be collected, and what metrics or performance baselines could be used to further assess effective program and service delivery.

While Recreation has initiated this work in defining some operational performance metrics for use in service delivery, key metrics identified through work with other municipalities and through leading practices research have been identified below.

Recreation & Culture Metrics:

- **Metrics to inform Mandate:**
    o *Facility, Amenity and Program delivery by demographic group* (down to the lowest level of detail, such as program type by unique demographic type)
    o *Provision of programs and services by the market* (type of program or facility by provider type, such as private, not for profit, institutional or municipal)
- **Programming Metrics:**
    o *Actual program usage and fill rates*, including actual maximums to ensure proper utilization calculation. Information on wait lists, cancellations and refunds should be tracked
    o *Program cost recovery analysis*, including actual costs to deliver programs. This should include capturing the direct (instructor, material, and programmer costs) as well as indirect (such as operations and overhead costs). Currently, only estimates are used, and actuals are not tracked. Refunds and cancellations should be factored into cost recovery analysis.
    o *Program delivery by demographic group.* Tracked to a greater level of granularity to know impacts on different demographic groups (e.g., adults, seniors, children, youth) as well as other characteristics (gender, supporting vulnerable populations, programming for minority groups, etc.)
    o *Revenue analysis by use.* Assessing whether a space is best used for programming, rentals, or other use to align with mandate (e.g., revenue generation or targeted provision for specific demographics or user groups)

- **Facility Usage Metrics:**
    - o *Actual Facility Utilization.* This should be broken down into use type (programmed, spontaneous, rented / booked hours) for each amenity within a location.
    - o *Booking data / revenues by user group type.* This will allow for greater understanding of ability to align to mandate, and / or to assess revenue generation or discounts provided.
    - o *Booking data by seasonality / by time blocks* where appropriate. For example, for arenas to determine best use, optimal pricing, or accessibility
    - o *Demographics tracking.* Tracking usage by demographic type where possible to understand current usage and increasing specific population access if required to align to mandate.
- **Accessibility**
    - o *Compliance with Accessibility standards.* Proportion of City facilities that comply with City accessibility standards (or leading practices if not defined at a City level).
    - o *Location Analysis.* Percentage of streets with sidewalks or bicycle lanes within 1 km of rec facilities / parks, and number of facilities within 5 km radius, by facility and amenity type.
    - o *Parking Accessibility.* Number of parking spaces (vehicle and bicycle) used during peak times relative to what is available.
- **Engagement with business community**
    - o F*unding from Sponsorships, total community partners.* Tracking the community engagement and support for these services.

Parks Metrics:

- *Actual costs by activity type*. Throughout analysis, it was noted that there is difficulty or an inconsistent method to capture information or costs against some categories, such as sports field maintenance, urban encampments, etc. These numbers were provided as estimates with a number of limitations on use and were noted to potentially not include full costs.
- *Units managed.* Similarly, hectares managed by type of parkland was provided as estimates and varied across stakeholders engaged.
- *Parks animation information.* Total programming delivered and bookings revenue collected would be helpful to establish a baseline for current provision and identify whether this should be expanded, relative to what other jurisdictions provide. Actual costs to deliver these services and cost recovery should be included.
- *Parks Usage.* This include amenity usage, parks volumes and attendance, and attendance of specific events to assist with development of business cases around revenue generation opportunities.
- *Revenues vs. operations costs.* This includes proportion of sponsorships, program participation, rental agreements relative to operations and asset management costs
- **Growth Metrics**
    - o *Number / hectares of parks growth year over year.*
    - o *Population access.* Increasing a population's access to parks (demographic analysis)
    - o *Programming and animation.* Numbers of new programs provided; users served.
- **Accessibility Metrics**
    - o *Compliance with Accessibility standards.* Proportion of City parks that comply with City accessibility standards (or leading practices if not defined at a City level).
    - o *Location analysis.* Percentage of streets with sidewalks or bicycle lanes within 1 km of rec facilities / parks, and percentage of parks within 5 km radius

Opportunities

- **Environmental Goals**
  o *Growth in naturalized space.* Year over year growth in naturalized space and tracking key metrics such as wildlife or plant varieties supported.
  o *Forest canopy.* Tracking against targets related to canopy coverage or diversity of trees maintenance. This can assist with communications about cost and levels of service.
  o *New trees planted.*

5 Prioritization

This section illustrates how the opportunities outlined in the previous section have been evaluated and ranked using a Prioritization Framework as well as the overall preliminary rankings of opportunity.

5.1 **Prioritization Framework**

To understand the potential impact on value for money, a Prioritization Framework was developed in collaboration with the City. This Framework will allow the City to identify those opportunities that may provide the biggest value relative to ease of implementation. This Framework is summarized below, described both through the 'Ease of Implementation' and the anticipated 'Benefits'.

Figure 20: Ease of Implementation Rubric

	Ease of Implementation		
	Estimated Cost	Time	Risk
Description	Investment required to implement the opportunity	Approximate time required to realize benefits	Estimated level of risk inherent in the opportunity (e.g., reputation, financial, etc.)
Hard **(Low)** **(1)**	Investment of > $0.5M operationally or > $10M in capital	Long (>3 years)	High risk with substantial mitigation required
Moderate **(Medium)** **(2)**	Investment of $0.1 - $0.5M operationally or $1-9M in capital	Medium (18-36 months)	Moderate risk with some mitigation required
Easy **(High)** **(3)**	Investment of < $0.1M operationally or < $1M in capital	Short (<18 months)	Low risk with few mitigations required

Source: Prepared by KPMG.

The ease of implementation considers the cost to implement the opportunity; this is typically considered to be a one-time investment cost. This may be considered in terms of operational or capital costs, as depicted in the Framework. The time to realize the benefit includes the time to implement, but also the anticipated timeframe before the City may reasonably start to realize the anticipated benefits from the opportunity. The risk articulated the inherent level of risk in the opportunity, for example, whether there is a reputational risk to the City based on stakeholder feedback, risk that the City may incur additional costs, increased liability to the City, or other risks.

Figure 21: Estimated Benefit Rubric

	Benefit				
	Levels of Service	*Service Cost*		*Alignment*	
	Effectiveness	Economy	Efficiency	Fairness	Environment
Description	Improvements to levels of service delivered by the City for these service areas	Estimated impact on required tax supported revenues (e.g., cost of service or revenues received)	Improvements to efficient use of resources (physical, financial) to deliver services	Improvements to the City's ability to meet basic needs and provide affordable access.	Ability to achieve defined strategic goals, outcomes and defined objectives of the service areas
Low **(1)**	No impact or decreased levels of service provided	Positive impact on required tax support estimated at < $0.1M	No impact or decreased utilization or cost/benefit	No impact or decreased ability to achieve fairness outcomes	No impact or decreased ability to advance goals, outcomes, and objectives
Medium **(2)**	Moderate improvement to some levels of service provided	Positive impact on required tax support estimated between $0.1 - $1M	Moderate improvement to utilization or cost/benefit	Moderate improvement to ability to achieve fairness outcomes	Moderate impact on ability to advance goals, outcomes, and objectives
High **(3)**	High improvement across levels of service provided	Positive impact on required tax support estimated at > $1M	High improvement to utilization or cost/benefit	High improvement to ability to achieve fairness outcomes	High impact on ability to advance goals, outcomes, and objectives

Source: Prepared by KPMG.

The estimated benefit considers the overall anticipated impact on value. Alignment measures the degree to which the opportunity furthers defined City goals or outcomes, whether it is strategic in nature or related to specific business unit plans or objectives. The service cost category articulates whether the opportunity is anticipated to generate additional revenues or result in cost savings. Levels of service indicates whether the City will have an increased capability to deliver a higher level of service using existing resources or have increased their capability to deliver at existing service levels.

5.2 **Opportunity Prioritization Summary**

The initial evaluation of each of the identified opportunities has been summarized in Table 19 below.

Table 19: Summary of Opportunities Prioritization

	Opportunities	Ease of Implementation			Potential Benefit					Rationale
		Cost	Time	Risk	Effectiveness	Economy	Efficiency	Fairness	Environment	
1	Reduce Tree Maintenance Costs	H	H	M	L	M	M	L	L	There are potential reputational risks due to decreased levels of service.
2	Increase Naturalization of Existing Park Land	M	M	L	L	M	M	L	M	There is a history of potential reputational risks to be mitigated through significant communication efforts.
3	Reduce Service Levels on Maintained Park Land	H	H	M	L	M	M	L	M	There are potential reputational risks due to decreased levels of service.
4	Increase Cost Recovery for Sports Field Maintenance	H	M	M	L	L	L	L	L	There are potential reputational risks due to decreased service levels and/or increased share of user fees.
5	Redesign for Sustainability and Increased Equity of the FAP	H	M	L	L	L	L	H	H	There is a high degree of risk involved with impacting vulnerable populations.
6	Refine Recreation and Culture Revenue Model	H	M	L	L	H	H	M	M	There are potential reputational risks surrounding user fee increases.
7	Explore Revenue Generation Opportunities at Parks	H	M	M	M	M	M	L	M	There are potential risks around public perception, however it may increase services provided in parks.
8	Leverage Market Provision of Services	H	M	M	L	L	M	M	H	Strategic alignment with supporting local organizations in meeting residents' needs. Current level of detail on program costs limits the ability to project potential benefits.
9	Explore Reciprocal Use Agreements with Local Jurisdictions	M	M	M	L	M	H	M	H	Time and resources required to build valuable and effective intermunicipal relationships.
10	Explore Reciprocal Use Agreements with Institutions	M	M	M	L	M	H	M	H	Time and resources required to build valuable and effective institutional relationships.

Prioritization

	Opportunities	Ease of Implementation			Potential Benefit					Rationale
		Cost	Time	Risk	Effectiveness	Economy	Efficiency	Fairness	Environment	
11	Enhance Coordination between Parks and City Planning	H	H	H	L	L	H	L	H	Limited effort required to formalize a more effective working relationship.
12	Develop a Community Services Master Plan	M	M	M	H	L	M	H	H	Value in benefits cascading through strategic alignment of multiple service areas.
13	Develop Master Plans and Strategic Guidance for Recreation	M	M	M	H	L	M	H	H	Benefits to inform operational decision making.
14	Develop Master Plans and Strategic Guidance for Culture	M	M	M	H	L	M	H	H	Benefits to inform operational decision making.
15	Develop Master Plans and Strategic Guidance for Parks	M	M	M	H	L	M	H	H	Benefits to inform operational decision making.
16	Develop a Partnership Framework	H	M	H	L	L	M	H	M	Improved transparency and consistency in the approach to new and existing partnership in support of strategic goals.
17	Standardize Partner Contracts / Agreements	H	H	M	M	L	M	M	M	Improved efficiency, accountability, and consistency across the partnership portfolio.
18	Clarify Roles and Accountabilities in Service Delivery	H	H	H	M	L	H	L	H	Limited effort required to formalize more effective working relationships and improve internal service quality.
19	Clarify Roles and Increase Coordination to Support Events Strategy	H	H	H	M	L	H	L	H	Reach across various departments adds complexity. Supports capacity building in service of City's strategic goals.
20	Enhance Data Collection and Effective Decision Making	H	M	H	L	L	M	M	H	Supports measurement of desired outcomes and evidence-based continuous improvement going forward.

Source: Prepared by KPMG.

5.3 **Prioritization Matrix**

Based on the preliminary evaluation of opportunities outlined in Table 19 (page 78), the opportunities have been plotted in Figure 22 to illustrate the relative potential benefit and ease of implementation. Within the matrix, areas shaded in green indicate opportunities with a positive combination of both estimated benefit and ease of implementation suggesting that these may be a higher priority for implementation by the City. Opportunities within the yellow sections may entail greater complexity or lower potential benefits. While these opportunities may increase value for money, the City may choose to defer implementation or address some of the interdependencies in the meantime. The red area is reserved for opportunities that do not appear feasible due to both the level of complexity and lack of demonstrable benefit to the City.

Figure 22: Prioritization Matrix
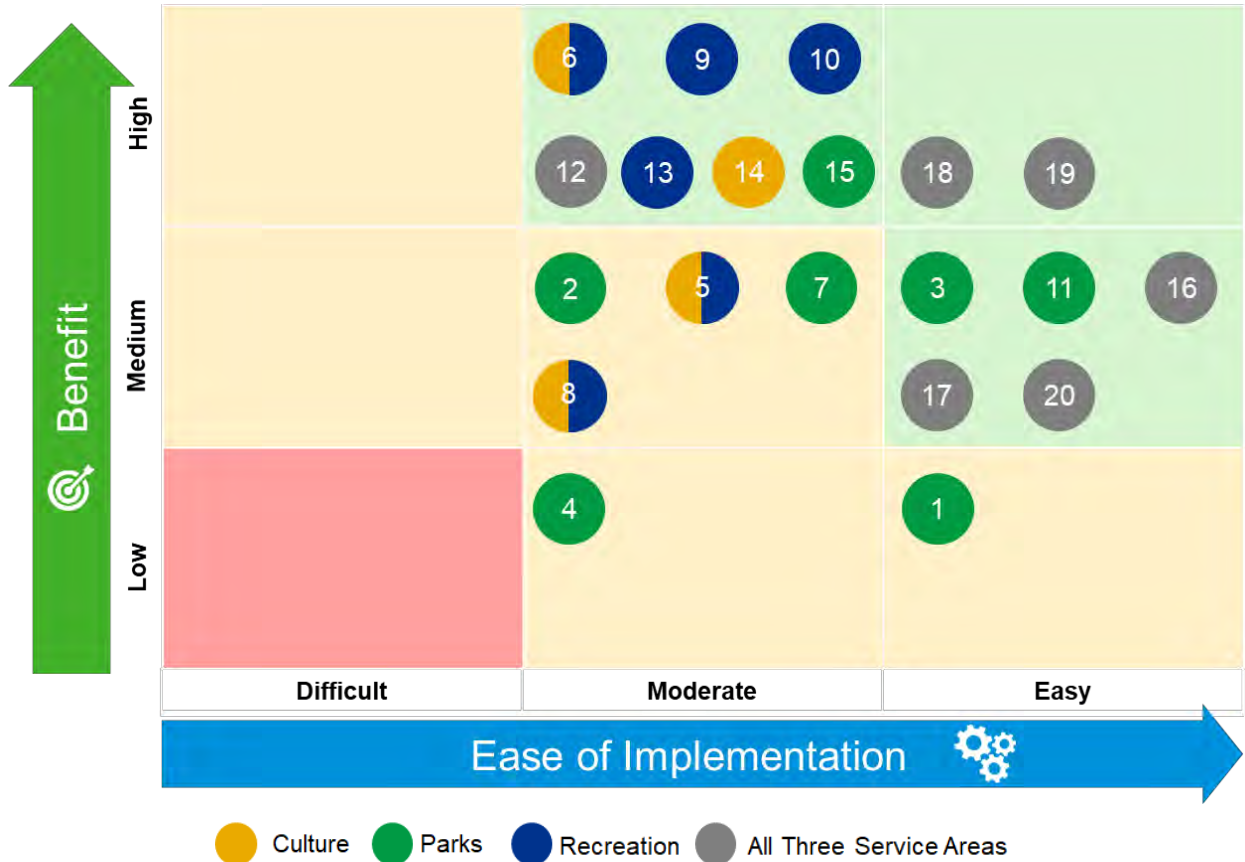
Source: Prepared by KPMG.

6 Implementation Roadmap

6.1 Introduction

The prioritization of the opportunities identified that all are deemed to have potential value, and therefore merit further exploration and consideration by the City. Based on this assessment, these opportunities have been framed as a series of recommendations for the City to consider further as opportunities to improve value for money.

This high-level Roadmap outlines the key activities and processes that may be required to implement the identified recommendations to increase Value for Money across Culture, Parks and Recreation. The proposed timing of implementation activities aligns with the Time to Implement criteria in Section 5.1: Prioritization Framework (page 76). Sequencing of activities is based on the implementation considerations and interdependencies described for each opportunity, see Section 4.2: Opportunity Detail (page 47).

It is the City's ultimate decision if a recommendation identified through this review may be pursued. The City will also need to evaluate and identify resource requirements in the formation of a more detailed implementation plan. These may be external or internal dedicated human resources as well as financial inputs.

The recommendations have been categorized by type in workstreams, described in more detail in the Implementation Timeline, page 83). These are summarized below.

Program and Service Level Changes	— Opportunities relating to changing the level of service provided to residents and / or the City's role in direct service delivery
Strategic Guidance and Decision Making	— Opportunities aiming to address foundational objectives, outcomes and measures that inform service area governance
Operational Efficiency	— Opportunities focusing on increasing coordination or removing barriers to the optimal use of existing resource
Sustainability of Service Delivery	— Opportunities targeting improvements to economic viability of service areas to ensure longer-term effectiveness

6.2 Recommendation Guidance

The implementation timeline proposes the suggested sequencing of recommendations, based on considerations such as timing, interdependencies, and resource or capacity requirements. While the City will need to determine specific implementation actions and capacity to action each recommendation, these will provide general guidance as to how the City may proceed and prioritize the recommendations.

There are three major implications that the City may wish to consider related to the implementation of these recommendations:

— **Foundational Recommendations:** There are recommendations that provide foundational guiding direction regarding role and mandate of the City that are required prior to the implementation of other opportunities. It is critical that the business areas define their core strategic principles that will impact what services are delivered, to whom, how they are delivered, and how much. These opportunities tend to fall within the **Strategic Guidance and Decision-Making** workstream.

— **Quick Wins:** There are recommendations that are not highly interdependent on other recommendations, have a moderate to high anticipated benefit and a relative ease of implementation that can be considered earlier for implementation. These are not anticipated to require extensive resources or time to implement but may achieve benefits earlier than other opportunities. These recommendations largely sit within the **Operational Efficiencies** workstream.
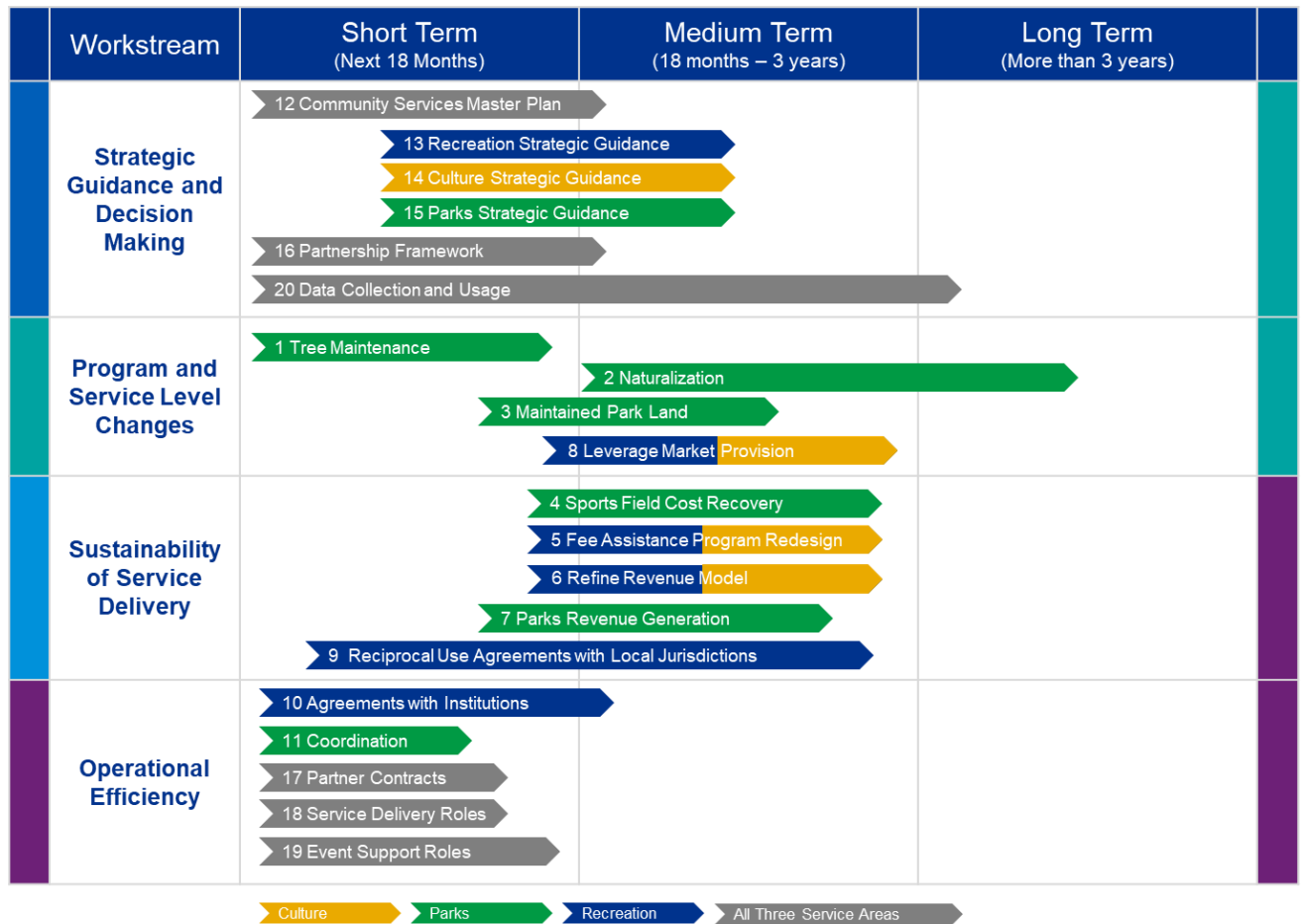
— **Extended Realization Recommendations:** These recommendations are contingent upon the completion of other recommendations, or further work such as data collection before they may be implemented or realized. Some of these recommendations may require a longer period to realize anticipated benefits. These recommendations typically include those that start in the medium or long-term timeframes of the implementation roadmap.

6.3 Implementation Timeline

The following figure provides a high-level illustration of the suggested sequencing and estimated relative duration of opportunities within their respective workstreams. The implementation and realization of benefits according to the estimated timing below will be contingent upon Administration implementation timelines, as well as Council and budget approval where required.

Figure 23: Implementation Roadmap Overview

Workstream	Short Term (Next 18 Months)	Medium Term (18 months – 3 years)	Long Term (More than 3 years)
Strategic Guidance and Decision Making	12 Community Services Master Plan; 13 Recreation Strategic Guidance; 14 Culture Strategic Guidance; 15 Parks Strategic Guidance; 16 Partnership Framework; 20 Data Collection and Usage		
Program and Service Level Changes	1 Tree Maintenance; 2 Naturalization; 3 Maintained Park Land; 8 Leverage Market Provision		
Sustainability of Service Delivery	4 Sports Field Cost Recovery; 5 Fee Assistance Program Redesign; 6 Refine Revenue Model; 7 Parks Revenue Generation; 9 Reciprocal Use Agreements with Local Jurisdictions		
Operational Efficiency	10 Agreements with Institutions; 11 Coordination; 17 Partner Contracts; 18 Service Delivery Roles; 19 Event Support Roles		

Legend: Culture | Parks | Recreation | All Three Service Areas

Source: Prepared by KPMG.

6.4 Implementation Themes

The following section describes in more detail, the opportunities that should be advanced in each work stream. For each opportunity, the proposed timeframe indicates when the City could consider beginning implementation as well as the estimated duration and any significant dependencies.

A sample of the high-level activities the City may consider in the formation of its implementation plan are also included for each of the opportunities.

6.4.1 Strategic Guidance and Decision Making

This section describes the recommendations related to setting the conditions for effective service delivery and enhancing the City's decision-making abilities grounded in guiding principles and evidence. A foundational understanding of the City's mandate, objectives, outcomes, operating mechanisms, and related measures inform service area governance and ability to demonstrate value for money.

Strategic Guidance and Decision Making		
Recommendation	**Timeframe**	**Key Activities**
12. The City should consider **developing a Community Services Master Plan** to provide guiding direction.	Benefit realization within 12-20 months **Interdependency:** Required to provide guiding principles and key direction to strategic guidance documents for Culture, Parks and Recreation.	— Receive budget and / or Council approval to proceed with development — Identify initiative owners and task team, develop formal roles and development plan — Lead scoping exercise and thorough review of existing strategic documentation, identify key areas of gaps — Determine appropriate resourcing and / or secure external support and identify cross-functional teams to execute and inform development — Conduct external stakeholder engagement to understand community values, priorities and needs — Develop draft Master Plan, engage for feedback with relevant stakeholders (e.g., cross-functional teams, City Leadership, etc.). Revise draft based on feedback and guidance — Present updated Community Services Master Plan for Council review and acceptance
13. The City should consider **developing Master Plans and strategic guidance for recreation services.**	Benefit realization within 12-24 months **Interdependency:** Requires guiding principles and key direction from Community Services Master Plan; foundational to pursue FAP redesign, refinement of revenue model and leveraging of market provision.	— Receive budget and / or Council approval to proceed with development — Identify initiative owners and task team, develop formal roles and development plan — Lead scoping exercise and thorough review of existing strategic documentation, identify key areas of gaps — Determine appropriate resourcing and secure external and cross-functional teams, as needed — Conduct external stakeholder engagement to understand community values, priorities and needs — Conduct environmental scan of leading and / or promising practices related to recreation strategy, policy development and outcomes reporting — Determine the approach (i.e., master plan and / or suite of strategic guidance documents) and identify which components will be included, such as guiding principles for program and service delivery, priority user types and demographics, recreation facilities master plan, etc. — Ensure alignment with Community Services Master Plan, Social Policy Framework, and other strategic guidance initiatives

Strategic Guidance and Decision Making		
Recommendation	**Timeframe**	**Key Activities**
		— Develop appropriate metrics and corresponding data collection process changes to support implementation and ongoing monitoring and reporting against objectives
		— Present updated strategic documents for review and acceptance by the appropriate decision-making body
		— Prepare and execute communication plan to inform stakeholders of changes to recreation services as result of strategic guidance
14. The City should consider **developing Master Plans and strategic guidance for culture services.**	Benefit realization within 12-24 months **Interdependency:** Requires guiding principles and key direction from Community Services Master Plan; foundational to pursue FAP redesign, refinement of revenue model and leveraging of market provision.	— Receive budget and / or Council approval to proceed with development
		— Identify initiative owners and task team, develop formal roles and development plan
		— Lead scoping exercise and thorough review of existing strategic documentation
		— Determine appropriate resourcing and secure external and cross-functional teams, as needed
		— Conduct external stakeholder engagement to understand community values, priorities and needs
		— Conduct environmental scan of leading and / or promising practices related to culture strategy, policy development and outcomes reporting
		— Determine the approach (i.e., master plan and / or suite of strategic guidance documents) and identify which components will be included, such as guiding principles for program and service delivery, priority user types and demographics, culture facilities master plan, etc.
		— Ensure alignment with Community Services Master Plan, Social Policy Framework, and other strategic guidance initiatives
		— Develop appropriate metrics and corresponding data collection process changes to support implementation and ongoing monitoring and reporting against objectives
		— Present updated strategic documents for review and acceptance by the appropriate decision-making body
		— Prepare and execute communication plan to inform stakeholders of changes to culture services as result of strategic guidance
15. The City should consider **developing Master Plans and strategic guidance for parks services.**	Benefit realization within 12-24 months **Interdependency:** Requires guiding principles and key direction from Community Services Master Plan; foundational	— Receive budget and / or Council approval to proceed with development
		— Identify initiative owners and task team, develop formal roles and development plan
		— Lead scoping exercise and thorough review of existing strategic documentation, identify key areas of gaps

Strategic Guidance and Decision Making		
Recommendation	**Timeframe**	**Key Activities**
	to pursue reductions for tree maintenance and service levels, increase naturalization as well as revenue generation in parks.	— Determine appropriate resourcing and secure external and cross-functional teams, as needed — Conduct external stakeholder engagement to understand community values, priorities and needs — Conduct environmental scan of leading and / or promising practices related to culture strategy, policy development and outcomes reporting — Determine the approach (i.e., master plan and / or suite of strategic guidance documents) and identify which components will be included, such as guiding principles for program and service delivery, priority user types and demographics, strategy and targets for naturalization, parks asset master plan, etc. — Ensure alignment with Community Services Master Plan, Social Policy Framework, and other strategic guidance initiatives — Develop appropriate metrics and corresponding data collection process changes to support implementation and ongoing monitoring and reporting against objectives — Present updated strategic documents for review and acceptance by the appropriate decision-making body — Prepare and execute communication plan to inform stakeholders of changes to parks services as result of strategic guidance
16. The City should consider **developing a partnership framework** to guide third-party relationships.	Benefit realization within 12-20 months **Interdependency:** Requires guiding principles and key direction from strategic plans and the upcoming community grant review; required in order to pursue revenue generation in parks, leveraging market provision and complements contract standardization.	— Identify initiative owners and task team, define formal roles and outline development plan — Complete an inventory of current partnership types and outline relevant categories — Conduct an environmental scan of leading and promising practices supporting partnerships as part of a municipal operating model — Engage internal stakeholders to gather key requirements around effective partnership models, lessons learned from ineffective partnership mechanisms and potential risks or unintended consequences of changing current arrangements — Plan and conduct external stakeholder engagement to collect input on third-party needs and expectations — Develop appropriate decision-making criteria and principles for pursuing partnership as well as when to terminate a partnership that is underperforming or no longer aligns with priority objectives — Define processes for ongoing relationship management, monitoring metrics and reporting mechanisms to maintain effective partnerships and communicate suggestions for corrective measures, as needed

Strategic Guidance and Decision Making		
Recommendation	**Timeframe**	**Key Activities**
		— Ensure alignment with strategic guidance documentation, community grant review and standardization of contracts initiative
		— Prepare and execute a communication plan to educate stakeholders on upcoming changes
20. The City should consider **enhancing the way data is collected and used to inform effective decision making.**	Benefits could be realized as early as 18 months but are anticipated to continue to be realized as capacity grows. **Interdependency:** Dependent on guiding principles and key direction from strategic plans; provides valuable evidence to effectively pursue improved sports field cost recovery, FAP redesign, refinement of revenue model and leveraging of market provision.	— Conduct a thorough gap analysis for each business area (recreation, parks, and culture) to assess capabilities to answer cost and performance questions with ease, reliability, and accuracy. Identify key gaps in data availability and collection. — Develop a data collection plan to address gaps, work with business areas to identify appropriate metrics in alignment with service area priorities/opportunities and objectives and implement collection — Identify systems or technology updates required to collect and monitor data at the required levels and to achieve regular monitoring and reporting of identified metrics — Formalize processes for ensuring reliability and / or integration of data across systems — Formalize processes for reviewing performance, bringing in applicable metrics into decision making settings into the appropriate levels — Prepare and execute a communication plan to educate internal stakeholders on the updated expectations around collection and usage of data as part of decision-making processes

6.4.2 Program and Service Level Changes

This section describes the recommendations related to changes in levels of service provided to residents. Level of service changes may be realized through reductions to level of service, or through changes to what services are delivered by the municipality directly.

Program and Service Level Changes		
Recommendation	**Timeframe**	**Key Activities**
1. The City should consider **reducing service levels related to Tree Maintenance**.	Benefit realization within 18 months **Interdependency**: Will require alignment and linkages to strategic guiding documents. This may occur after initial pilots completed and findings assessed.	— Conduct a detailed cost and output analysis of the various service levels within the tree maintenance category, including comparison to jurisdictional levels of service to identify targeted areas for service level reductions — Review risk management plan for severe weather events to determine the potential impact of service level changes — Conduct stakeholder engagement to help inform and identify candidate areas for serve level reductions — Confirm targeted areas for service level reductions, define new service levels and implement a pilot to identify potential

Program and Service Level Changes		
Recommendation	**Timeframe**	**Key Activities**
		— cost and efficiency savings, as well as safety or other maintenance considerations
		— Evaluate pilots and decide on acceptance or rejection of decreased levels of service
		— Prepare a communication plan to educate stakeholders on upcoming changes
2. The City should consider **increasing the naturalization of existing park land.**	Benefit realization within 2-4 years **Interdependency**: Will require foundational direction and guidance from Parks strategic plans.	— Define naturalization strategy and targets based on strategic guidance and environmental outcomes — Engage the community in initial discussions to foster awareness and support for naturalization strategy — Prepare site analysis to identify appropriate areas for either active or passive naturalization based on identified targets — Conduct pilots on test areas to assess potential impact on costs to naturalize, public reaction, and other maintenance considerations — Evaluate effectiveness of pilots; define service levels and changes to naturalization approach based on lessons learned — Define expanded naturalization plan, including resourcing requirements, timing, and additional sites for naturalization over a longer term — Prepare a communication plan to educate stakeholders on upcoming changes
3. The City should consider **reducing service levels on maintained park land.**	Benefit realization within 18 months **Interdependency:** Will require rationale and guidance from Parks strategic plans.	— Conduct a detailed cost and output analysis of the various service levels within the active maintenance category (all park land that does not fall under naturalized or sports field categories) — Prepare site analysis to identify suitable areas for reduced mowing and trimming cycles, based on usage, location, current level of service, comparison to jurisdictional levels of service, etc. — Implement a pilot to identify potential cost and efficiency savings, as well as unforeseen additional maintenance, safety, or public perception considerations — Evaluate pilots and decide on acceptance or rejection of decreased levels of service — Define new service levels and designate corresponding areas. Update existing external maintenance contracts with new service levels — Prepare a communication plan to educate stakeholders on upcoming changes
8. The City should consider **leveraging market provision of services.**	Benefit realization within 18-36 months	— Prepare a detailed cost recovery analysis at the lowest possible program level to identify candidate programs for outsourcing arrangements or reductions in service levels provided

Program and Service Level Changes		
Recommendation	**Timeframe**	**Key Activities**
	Interdependency: Requires foundational direction and guidance from strategic plans and partnership framework; dependent on data availability and collection related to programming.	— Assess market provision of services for candidate program areas to understand current availability of the market to provide — Conduct market sounding based on identified program areas to gauge feasibility and interest — Identify candidate program areas for external providers, and those programs that the City will instead directly reduce levels of service provided — Execute a competitive process for awarding outsourcing contracts or partnership agreements for applicable services identified — Prepare a communication plan to educate stakeholders on upcoming changes

6.4.3 Sustainability of Service Delivery

This section describes the recommendations related to mechanisms for the City to reduce its reliance on tax support for some aspects of service delivery as well as ensuring the appropriate level of subsidization to effectively meet the City's stated goals and objectives. Sustainability in this context refers to the long-term economic viability of City programs and services.

Sustainability of Service Delivery		
Recommendation	**Timeframe**	**Key Activities**
4. The City should consider **increasing cost recovery for sports field maintenance.**	Benefit realization within 18-36 months **Interdependency:** Dependent on direction from strategic plans and data collection improvements.	— Conduct a detailed cost analysis of the various service levels within the sports field maintenance category — Compare current levels of service provided to other jurisdictions, as well as fees and charges — Identify relevant mechanisms to increase cost recovery (e.g., service level reduction, increase to fees and charges, changes to joint-use agreements, maintenance agreements with external providers, etc.) — Identify suitable sites and rental arrangements with potential to increase cost recovery — Prepare and execute a communication plan to educate stakeholders on the proposed changes, providing sufficient notice to providing sufficient notice to existing partners and contractors to adjust
5. The City should consider **redesigning the Fee Assistance Program for sustainability and increased equity.**	Benefit realization within 18-36 months **Interdependency:** Dependent on direction from strategic plans and	— Determine appropriate resourcing, dedicated internal staff and / or support from external consultant — Develop guiding principles and vision for the Fee Assistance Program (FAP) in alignment with strategic guidance from Community Services, service area plans and the Social Policy Framework

Sustainability of Service Delivery		
Recommendation	**Timeframe**	**Key Activities**
	data collection improvements.	— Undertake a detailed financial assessment to understand program costs and alignment with outcomes as identified in the guiding principles and vision
		— Evaluate the City's total investment in the FAP (e.g., cost to run the program, foregone revenues, cost, and benefits per participant, etc.)
		— Describe current reliance on tax-supported subsidization and forecast municipal contribution requirements based on trends and expectations around external funding potential
		— Conduct a comprehensive jurisdictional scan to identify different mechanisms and promising practices through which the program may be redesigned
		— Forecast anticipated benefits from redesign mechanisms under consideration as well as potential impacts to affordability that may result from progress on the revenue model refinement initiative
		— Evaluate potential mechanisms against the defined program principles, vision and outcomes and compare against formal evaluation of the impacts on fairness (e.g., GBA+ assessment, the City's Social Policy Framework)
		— Engage internal and external stakeholders to collect feedback and identify any unintended consequence of proposed changes
		— Determine program elements, adjust intake process, as needed, and integrate opportunities for sponsorships
		— Prepare comprehensive documentation of redesigned FAP and communicate updates to internal and external stakeholders, providing sufficient notice of implementation timeline
6. The City should consider **refining its recreation and culture revenue model.**	Benefit realization within 18-36 months **Interdependency:** Dependent on direction from strategic plans and data collection improvements; requires an effective FAP to mitigate fair access risks to vulnerable populations.	— Conduct a comprehensive review of the City's fees and charges, including a comparison against other jurisdictions but also reviewing the principles and guidance outlined in the user fees guide
		— Evaluate the number and complexity of pricing tiers from a user perspective as well as ease of administration and potential as mechanisms for influencing demand / utilization
		— Review definitions of groups eligible for discounts or specific rental rates and compare to stated objectives for the division and service area
		— Identify key opportunities to adjust the revenue model based on strategic guidance and comparisons to other jurisdictions. It is unlikely the City will need to adjust all fees broadly, rather the City should consider identifying areas where they can reduce subsidies to specific users or for specific services that are either over-provided in the market or do need meet City defined areas of priority.

Sustainability of Service Delivery		
Recommendation	**Timeframe**	**Key Activities**
		— Document proposed refinements to revenue model and elevate to Council or appropriate decision-making body for approval
		— Prepare and execute a communication plan to educate stakeholders on the proposed changes, providing sufficient notice to providing sufficient notice to existing partners and rental groups to adjust
7. The City should consider **exploring revenue generation opportunities in parks.**	Benefit realization within 18-36 months **Interdependency:** Dependent on guiding principles and key direction from strategic plans, partnership framework and contract standardization.	— Determine appropriate ongoing resources dedicated to relationship building with businesses and organizations — Identify any barriers, such as zoning, that may inhibit revenue-generating activities in open spaces — Outline a list of sites with potential for revenue generation and suggestions for appropriate activities given the site characteristics and feasibility of addressing any identified barriers — Conduct market sounding to understand third parties' perspective on interest, viability, and requirements — Work with City Planning and Growth Engineering Services to address any zoning issues and ensure consideration for revenue generating opportunities on public lands as part of future statutory planning processes — Ensure alignment with strategic guidance principles and objectives — Negotiate and enter into agreements with interested third parties in alignment with the partnership framework and standardized approach to contract development — Maintain relationships with businesses and organizations through continued communication and monitoring the achievement anticipated benefits as well as the resources required to sustain and grow this program
9. The City should consider **exploring the formation of reciprocal use agreements with local jurisdictions.**	Benefit realization within 2-3 years months	— Determine appropriate ongoing resources dedicated to relationship building with local jurisdictions — Conduct an environmental scan to identity and prioritize potential jurisdictions — Reach out to local institutions to build relationships and understand available resources and needs of all parties — Explore potential opportunities for shared facility usage along with an appropriate compensation formula for non-resident usage — Negotiate reciprocal use agreements with clearly defined expectations and evaluation mechanisms, and ratify agreements through Council or the appropriate decision-making body — Formalize any targets or objectives linked to anticipated benefits to the City in order to monitor effectiveness in future

Sustainability of Service Delivery		
Recommendation	**Timeframe**	**Key Activities**
		— Collect and review data on non-resident usage to inform subsequent negotiations of agreements

6.4.4   Operational Efficiency

This section describes the recommendations related to optimizing inputs required to achieve the City's desired outputs. Efficiencies may be realized through enhanced coordination among existing internal resources, streamlining administrative processes or sharing resources among partners.
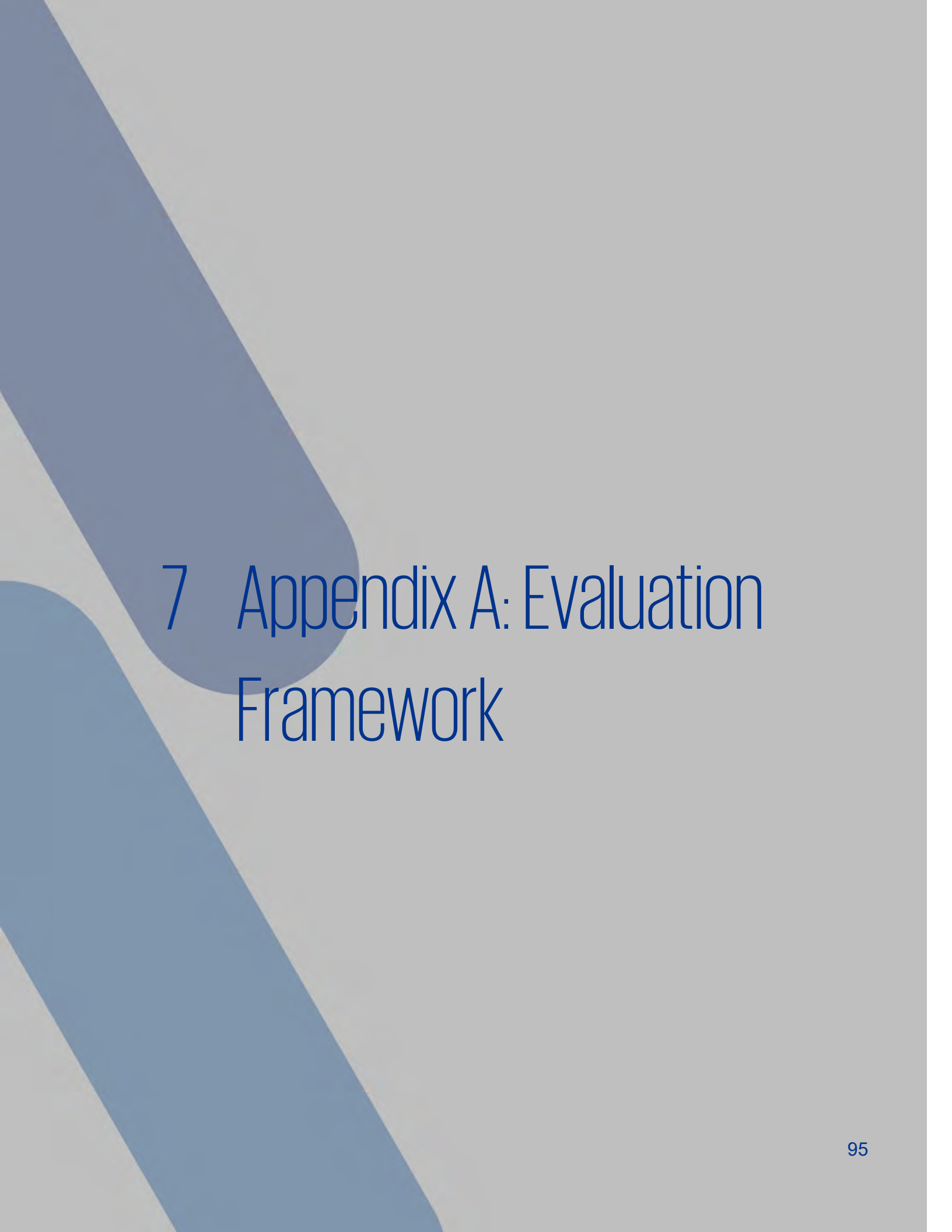
Operational Efficiency		
Recommendation	**Timeframe**	**Key Activities**
10. The City should consider **exploring the formation of reciprocal use agreements with institutions.**	Benefit realization within 12-20 months	— Determine appropriate ongoing resources dedicated to relationship building with local institutions — Conduct an environmental scan to identity and prioritize potential institutions — Build relationships with local institutions to understand available resources and needs of all parties — Explore potential opportunities for shared facility usage — Negotiate reciprocal use agreements with clearly defined expectations and evaluation mechanisms, and ratify agreements through the appropriate decision-making body — Formalize any targets or objectives linked to anticipated benefits to the City in order to monitor effectiveness in future
11. The City should consider **enhancing coordination between Parks and City Planning departments**.	Benefit realization within 10 months **Interdependency:** Supports pursuit of tree maintenance and service level reductions as well as increased naturalization.	— Identify task group to advance required changes — Conduct gap assessment by engaging all related parties to understand key challenges associated with coordination, and the impact on ongoing maintenance and other associated costs — Facilitate interdepartmental discussions to identify solutions to address current challenges — Collaboratively propose a formalized process and mutual expectations for future development project consultations
17. The City should consider **standardizing its partner contracts and agreements.**	Benefit realization within 12 months **Interdependency:** Requires key direction from partnership framework and the upcoming community grant review.	— Identify appropriate dedicated internal resources — Consult legal department for learnings from previous efforts to standardize and work completed to date — Engage internal stakeholders to collect requirements on areas for improvement — Inventory existing contracts and conduct a detailed review to determine appropriate categorization — Identify components to standardize within existing contracts / agreements

Operational Efficiency		
Recommendation	**Timeframe**	**Key Activities**
		— Engage external stakeholders for feedback on proposed approach to standardization and identify potential unintended consequences
		— Implement planned approach to update existing contracts / agreements and incorporate changes into new templates
		— Prepare and execute a communication plan to educate both internal and external stakeholders on the changes, providing sufficient notice to existing partners and contractors to adjust
18. The City should consider **clarifying the roles and accountabilities in service delivery.**	Benefit realization within 12 months **Interdependency:** Must precede development of service area strategic plans; directly informs clarification of support roles for event strategy.	— Conduct internal stakeholder engagement to identify key areas of overlap and challenges — Identify and review current documentation or guidance that outlines the role and / or mandate of various areas in service delivery — Facilitate interdepartmental discussions to identify service delivery tasks and assign responsibilities — Formalize roles by developing process documentation, formal level of service agreements between departments, or terms of reference to clarify formal roles across various aspects of service delivery — Communicate updated roles to stakeholders to inform progress on other opportunities
19. The City should consider **clarifying internal roles and increase coordination to support the events strategy.**	Benefit realization within 18 months **Interdependency:** Dependent on alignment with strategic guidance documents and clarification of service delivery accountabilities.	— Define the mandate of recreation, parks, and culture business areas in the area of events. Define what role each will encompass relevant to current City events guidance and strategies. Align these to relevant recreation, parks and culture guidance once developed. — Prepare an inventory of current and planned event types across the City, areas involved, and current roles and accountabilities — Identify appropriate departments to lead and those to support each type of event — Identify City strategic goals related to events, and what this means from a capacity and planning perspective. Identify whether resourcing requirements are sufficient to address current events volume, as well as future growth requirements. — Define and communicate the goals and expectations for City-run or -supported events as well as the process for adding new events to the roster — Develop mechanisms for cross-training and succession planning for event delivery

6.5 Conclusion

The City's Value for Money Review of Recreation, Culture, and Parks service areas has identified a number of areas where the City currently delivers value, as well as opportunities to increase value for money, across the lenses of effectiveness, economy, efficiency, fairness and environment.

In reviewing multiple sources of information and in consultation with both internal and external stakeholders, KPMG has provided a series of recommendations for the City to explore. Ultimately, it is within the City's discretion if, when, and how opportunities are pursued. The Implementation Roadmap outlines sequencing, notable interdependencies and other considerations that may influence the City's development of a formal implementation plan and execution of the identified recommendations.

7   Appendix A: Evaluation Framework

7.1 Value for Money Review of Culture, Recreation and Parks Services: Evaluation Framework

The table below summarizes the key evaluation criteria, indicators, and approach to the analysis used to evaluate value for money across the lenses from the Value for Money Framework.

Table 20: Evaluation Framework

Criteria	Indicators	Analysis	Data Required	Stakeholder Engagement
Effectiveness The achievement of outcomes in alignment with the City's Strategic Plan, department objectives, and "RISE" principles. Effectiveness is about achieving organizational goals, meeting defined levels of service or outputs, and "doing the right things".				
Recreation, Parks and Culture (RPC) services result in an active, livable community that contributes to quality of life.	— Levels of service provided per capita by service type (i.e., numbers of facilities by major category, hectares of parkland, program hours delivered) (over time and benchmarked) — Stakeholder levels of participation in Recreation, Parks and Culture services per capita (over time) — Usage of fee assistance programs meet defined program outcomes for access	— Identify defined levels of service (LOS) — Evaluate performance against LOS — Jurisdictional analysis — Assess levels of participation in services — Fee assistance programs usage and measures	— LOS for Recreation, Parks and Culture Services — LOS Performance metrics and data — User participation data — Master plans, business plans, and other strategic documentation for service areas	— Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff — Service user participation survey — Municipal comparators

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Evaluation Framework

Criteria	Indicators	Analysis	Data Required	Stakeholder Engagement
Economy The cost of acquiring the service inputs that are used to generate desired outputs.				
City's costs have grown at a reasonable rate relative to the community needs and are comparable to other municipalities.	— Overall service cost per capita (over time and benchmarked) — Overall service cost as a proportion of City budget (over time and benchmarked) — Total subsidy (over time and benchmarked) — Subsidy per participant (over time and benchmarked) — Cost recovery by facility and program (over time)	— Analysis of budget and expenditures by service, across facility and program types — Analysis of costs considering inflation, population growth, and programming increases — Jurisdictional analysis — Review of subsidy and financial support programs — Review cost recovery thresholds & performance	— Capital and operating expenditures, budgeted and actual by service — City of Red Deer growth expectations & trends — Financial support programs data	— Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff — Business Excellence staff — Finance representatives — Municipal comparators

Evaluation Framework

Criteria	Indicators	Analysis	Data Required	Stakeholder Engagement
Efficiency				
Efficiency is about using each resource optimally, delivering services in a timely manner, and "doing things right".				
The Recreation, Parks and Culture service models promote an efficient use of resources to deliver services as compared to services delivered in other municipalities, and over time.	— Cost per program hour (over time and benchmarked) — Cost per participant hour (over time and benchmarked) — Cost per sq. foot of facility space (over time and benchmarked) — Cost per hectare (over time and benchmarked) — Attendance rates (over time and benchmarked) — Amenity and facility usage rates (over time and benchmarked) — Average program fill rate (over time and benchmarked)	— Assessment of interdependencies in service delivery across departments — FTE analysis by service and type — Expenditure analysis — Analysis of program, facility, park usage data — Jurisdictional analysis — Analysis of the use of partnerships — Leading practices research & analysis — Services provided by others in market — Efficiency of facility usage	— Organizational Charts for relevant service areas — Operational documentation — Program hours, participants, fill rate data by service — Asset information by service (utilization, attendance, rent / lease info) — Previous review, analysis, or benchmarking information — Joint use agreement information & data	— Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff — Business Excellence staff — Facilities representatives — Fleet representatives — IT representatives — Business Excellence staff — Municipal comparators — Sampling of representative partners / community groups
Fairness				
The fairness of outcomes. Fairness is not about everyone having the same things – it's about everyone having what they need, when they need it.				
Citizens have the Recreation, Parks and Culture services that meet their basic recreation, leisure, and culture needs.	— Stakeholders believe that the City provides programming and amenities that meets their needs as reflected in overall satisfaction — Stakeholders believe that the City provides access to a variety of recreation, cultural, and leisure opportunities that meet the needs of various demographic groups	— Understand stakeholder satisfaction rates by service — Research on external market offerings — Review of program data by demographic group by service	— Previous customer survey results & stakeholder engagement conducted — Program data disaggregated by user type	— Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff — User / citizen survey — Sampling of representative partners / community groups

Criteria	Indicators	Analysis	Data Required	Stakeholder Engagement
The City's fees and charges are fair and affordable for access relative to other jurisdictions.	— Average admission fee per user (over time and benchmarked) by facility type — Average program fee per user (by type) (over time and benchmarked) by program type — Average booking / rental fee per type (over time and benchmarked) — Subsidy provided per tax dollar — Subsidy provided per capita — Overall gross revenues per capita (over time and benchmarked)	— User fee and rates analysis — Jurisdictional analysis — Operating revenues analysis	— User fee, rental rates information by program, facility type, and user group per service — Operating revenues by source by service	— Finance representatives — Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff — Business Excellence staff — Municipal comparators
Environment The impact on the context in which the City operates in terms of the short-to-medium term effects as well as long-term sustainability.				
Recreation, Parks and Culture services contribute to desired community, social and environmental outcomes.	— Stakeholder perception of community belonging and life satisfaction (over time and benchmarked) — Number of visitors attracted to cultural programming and events, as percentage of total (over time) — Growth in tree canopy (over time)	— Identify outcomes for each service area — Assessment of performance against outcomes & identify gaps — Review of wellness and quality of life indicators	— Strategic documents & business plans for service areas — Information & performance data for planned or ongoing related initiatives — Visitor / tourism information — Environmental goals & performance data	— Parks Services leadership & staff — Recreation Services leadership & staff — Art & Cultural Services leadership & staff

8 Appendix B: Jurisdictional Scan

8.1 Introduction

As part of the City of Red Deer's Value for Money review of culture, parks and recreation services, a scan of select municipalities was conducted to illustrate the City's performance in these service areas relative to relevant jurisdictions. Requests for benchmarking data, interviews and research on publicly available information were conducted for neighboring municipalities: Blackfalds, Innisfail, Lacombe, Sylvan Lake; similar-sized municipalities: Grande Prairie, Kelowna, Lethbridge, Medicine Hat, Saskatoon, Wood Buffalo; and Alberta's two largest metropolitan cities: Calgary and Edmonton.

Not all comparator jurisdictions were able to participate to the same extent due to limited data collection at the level of detail requested or their capacity to resource the request over the same period when provincial COVID-19 restrictions were being eased and many municipal recreation facilities began to re-open. Analysis of the benchmarking results is included below noting that some dimensions may require consideration of the sample size.

| Municipality	Responded to Information Request	Provided Alternative Documentation
Blackfalds	Unable to provide at the time	Yes
Calgary	Yes	-
Edmonton	Yes	-
Grande Prairie	Yes	-
Innisfail	Yes	-
Kelowna	Yes	-
Lacombe	Unable to provide at the time	Unable to provide at the time
Lethbridge	Unable to provide at the time	Yes
Medicine Hat	Yes	-
Saskatoon	Yes	-
Sylvan Lake	Yes	-
Wood Buffalo	Unable to provide at the time	Yes

Source: Prepared by KPMG.

8.2 Financial Analysis

8.2.1 Operating Expenses

A review of municipal operating costs associated with each culture, parks and recreation service provision suggests that Red Deer spends more per capita than the average of among comparators in terms of its parks (+13%) and recreation (+22%) expenditures, but less on culture services (-94%).

Analysis of service area expenditures relative to overall municipal operating costs noted that other jurisdictions appear to dedicate a greater proportion of their municipal budgets to support culture, parks, and recreation services than the City of Red Deer.

Figure 24: Service Area Expenditures as Percentage of Municipal Operating Expenses (OpEx) 2019

Service Area Expenditures as Percentage of Municipal OpEx (2019)
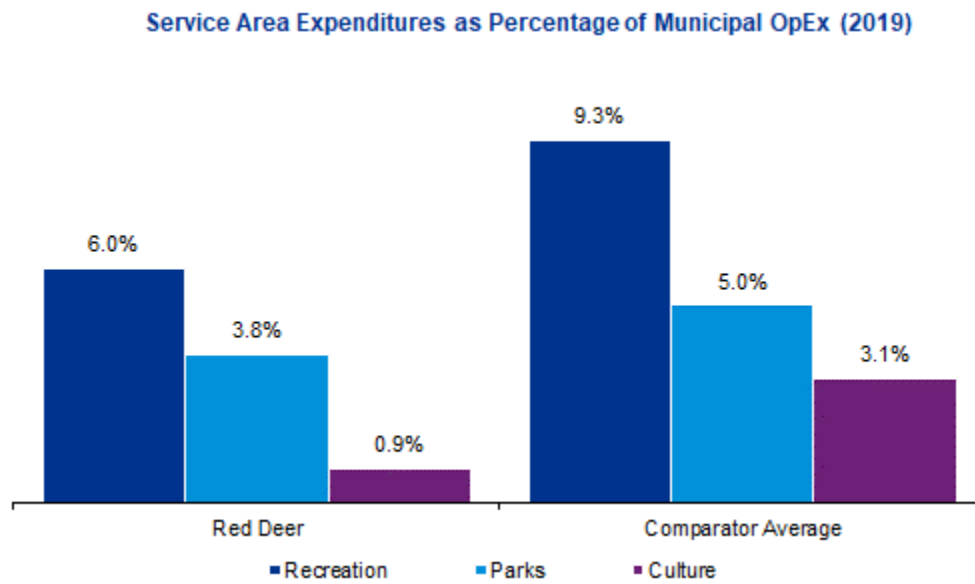
Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions (Calgary, Edmonton, Innisfail, Lethbridge, Medicine Hat and Sylvan Lake).

Figure 25: Service Area Expenditures per 100,000 Population (2019)
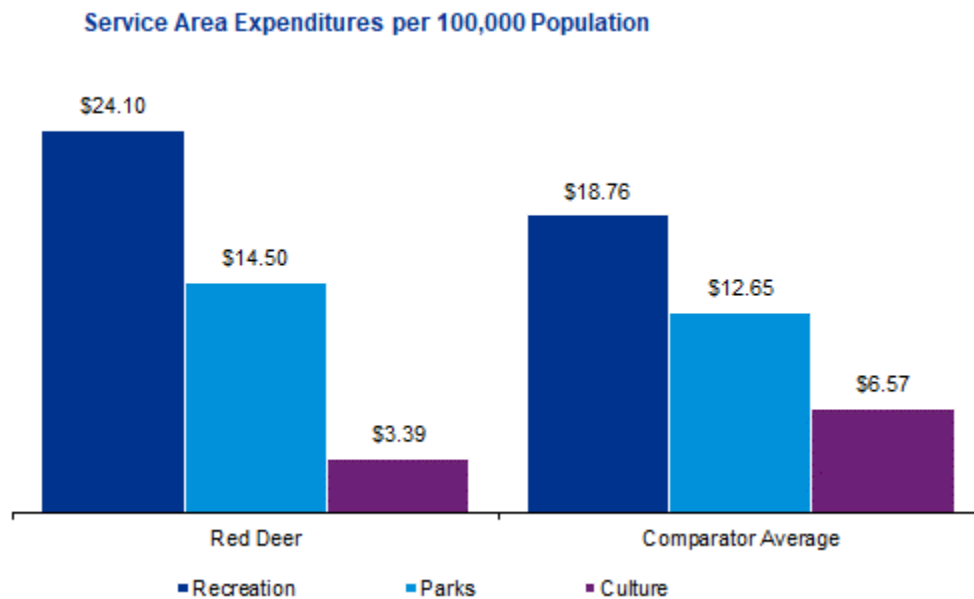
Service Area Expenditures per 100,000 Population

Source: Prepared by KPMG using benchmarking data provided by the City and participating jurisdictions (Calgary, Edmonton, Innisfail, Lethbridge, Medicine Hat and Sylvan Lake).

8.2.2 Park Land Operating Expenditures

The City of Red Deer's annual direct operation cost to maintain park land (inclusive of actively maintained, naturalized, sports fields, etc.) appears lower than the comparator average when considered on a per hectare basis (see Table 21 and Table 22). However, as illustrated in Figure 26 and Figure 27, Red Deer's park land operating costs per capita are much closer or exceed those of its comparators. It is important to note that Lethbridge includes additional irrigation costs relative to other jurisdictions reviewed and, as a result, is estimated to be influencing the higher average illustrated in Figure 26.

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Table 21: Total Direct Annual Cost per Hectare of Park Land (2020)

|	Red Deer	Average*	Lethbridge	Kelowna	Calgary	Edmonton
Direct annual operation cost per hectare	$ 4,377	$ 5,604	$ 3,476	$ 7,731	$ 8,498	$ 5,317

Source: Yardstick Report 2020

Table 22: Total Direct Annual Cost per Hectare of Park Land (2021)

|	Red Deer	Average*	Medicine Hat	Calgary	Edmonton
Direct annual operation cost per hectare	$ 4,398	$ 5,735	$ 3,003	$ 8,679	$ 5,523

Source: Yardstick Report 2021

Figure 26: Provision of Park Land and Direct Annual Operation Cost per capita (2020)
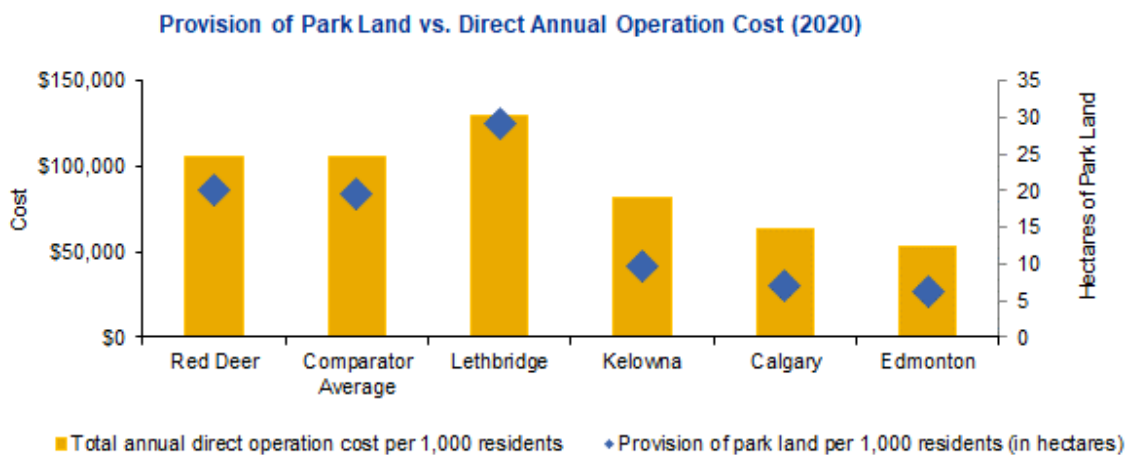
Source: KPMG analysis of data included in Yardstick Report 2020.

**Figure 27: Provision of Park Land and Direct Annual Operation Cost per capita (2021)**
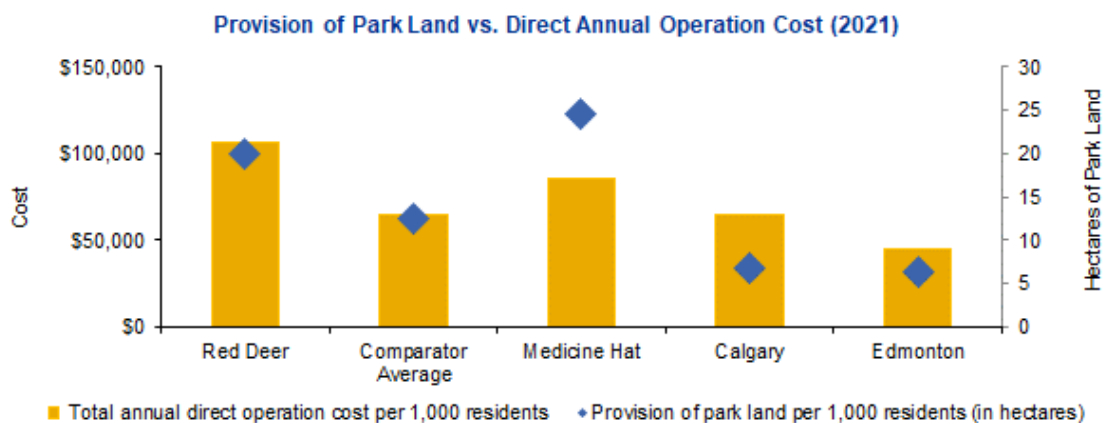
Source: KPMG analysis of data included in Yardstick Report 2021.

8.2.2.1 *Actively Maintained versus Natural Park Land Operating Expenditures*

Analyzing annual operation costs specifically attributed to actively maintained park land and naturalized areas, Red Deer spends more in both categories with 29% above the comparator average for actively maintained park land and 172% above the average for natural park land in 2020.

**Figure 28: Annual Operation Cost of Municipal Park Land**

Annual Operation Cost per Hectare per 1,000 Population (2020)
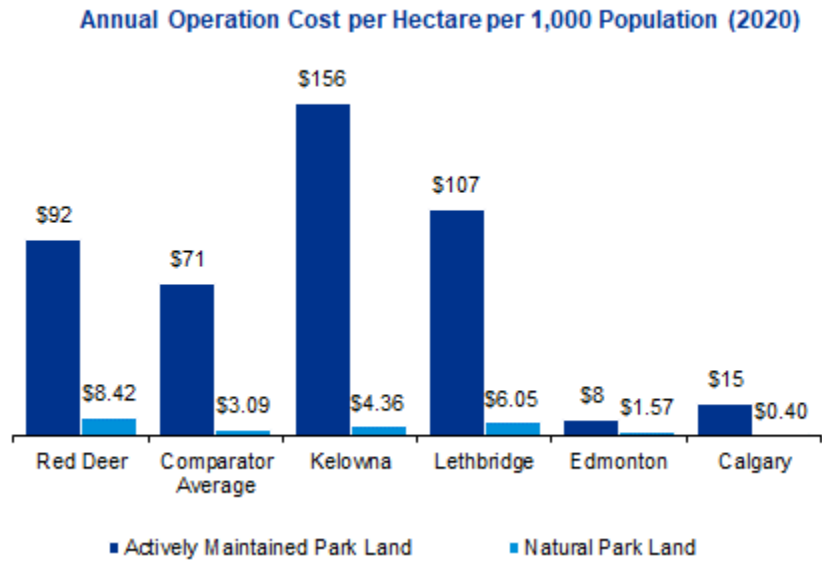
Source: KPMG analysis of data included in Yardstick Report 2020

8.2.2.2 *Tree Maintenance Expenditures*

Comparison of tree maintenance costs per capita indicate that Red Deer spent 16% less on overall tree maintenance and 18% less on specifically on street tree maintenance in 2020 than the comparator average. When compared to available data for 2021, Red Deer spent 2% less than the average for overall tree maintenance and 25% more than the comparator average for street tree maintenance.
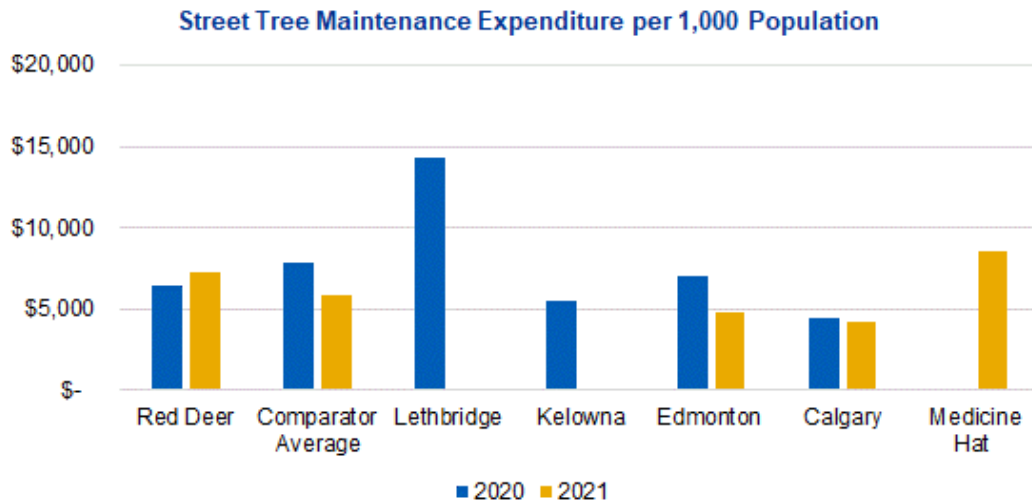
Figure 29: Tree Maintenance Expenditures per 1,000 Population

Tree Maintenance Expenditure per 1,000 Population
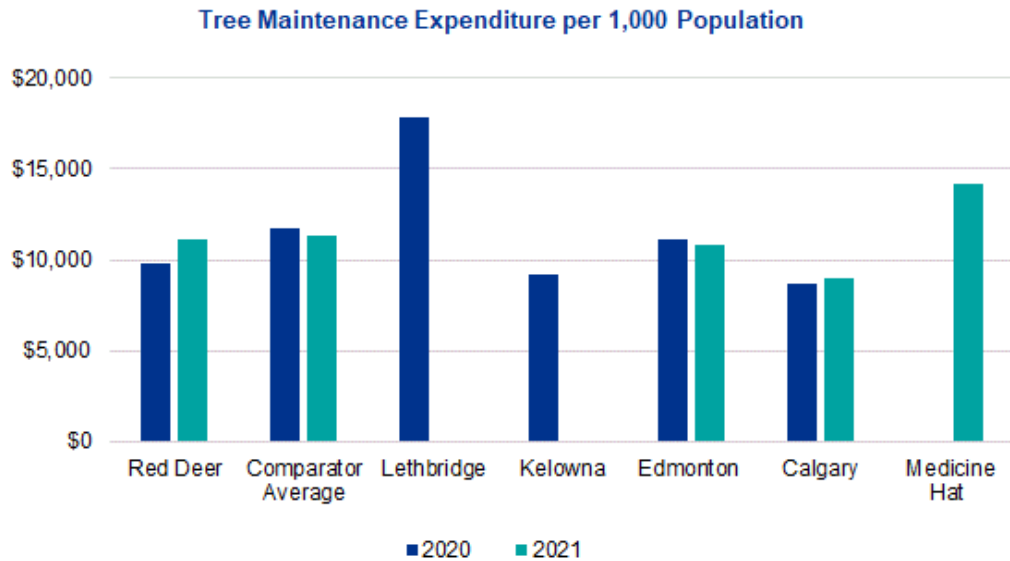
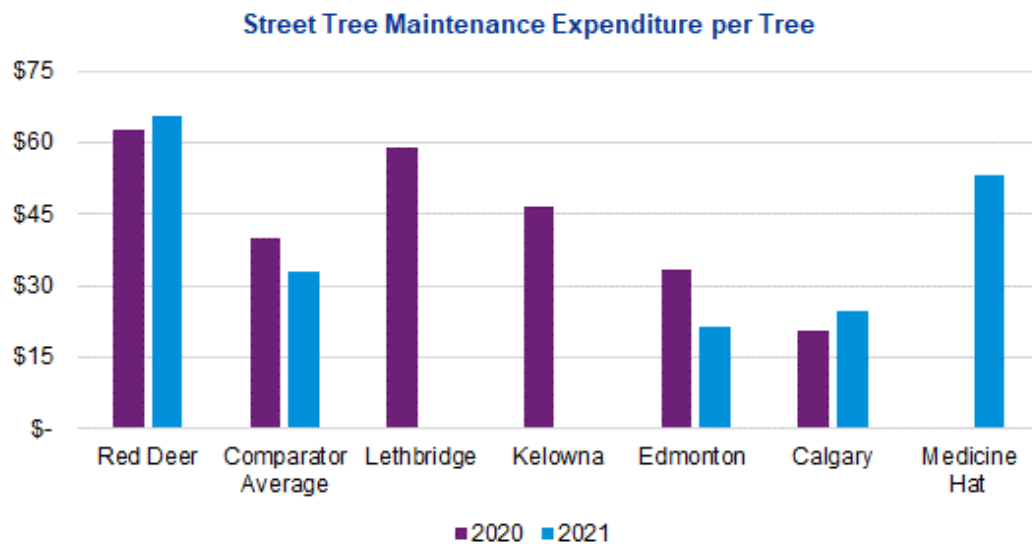*Source: Yardstick Reports 2020 and 2021.*

Figure 30: Street Tree Maintenance Expenditures per 1,000 Population

Source: Yardstick Reports 2020 and 2021.

The City's cost per tree for street tree maintenance is higher than all the comparator data available. Red Deer spent approximately 1.5 and 2 times more than the comparator average per tree in 2020 and 2021 respectively. However, per 1000 population, the expenditures for street tree maintenance appear to be comparable to the average.

Figure 31: Street Tree Maintenance Expenditure per Tree

Source: Yardstick Reports 2020 and 2021

8.2.3 Cost Recovery in Alberta

Leveraging Alberta's Financial and Statistics Information open data portal, an analysis was conducted of the total revenue and expenditures for municipal culture, parks, and recreation services. It suggests that Red Deer's cost recovery for these combined areas is lower than the weighted average for each municipality type in the province.

Table 23: Culture, Parks and Recreation Financials in Alberta (2019)

Entity	Weighted Average Expenditure per Capita	Weighted Average Revenue per Capita	Weighted Average Cost Recovery
Red Deer	$465	$148	32%
City	$358	$172	48%
Specialized Municipality	$679	$257	38%
Summer Village	$307	$179	58%
Town	$492	$292	59%
Village	$312	$225	72%
Weighted Average	**$397**	**$194**	**49%**

Source: Prepared by KPMG using Municipal Financial and Statistical Data from the Government of Alberta (Municipal Financial and Statistical Data - Open Government (alberta.ca)
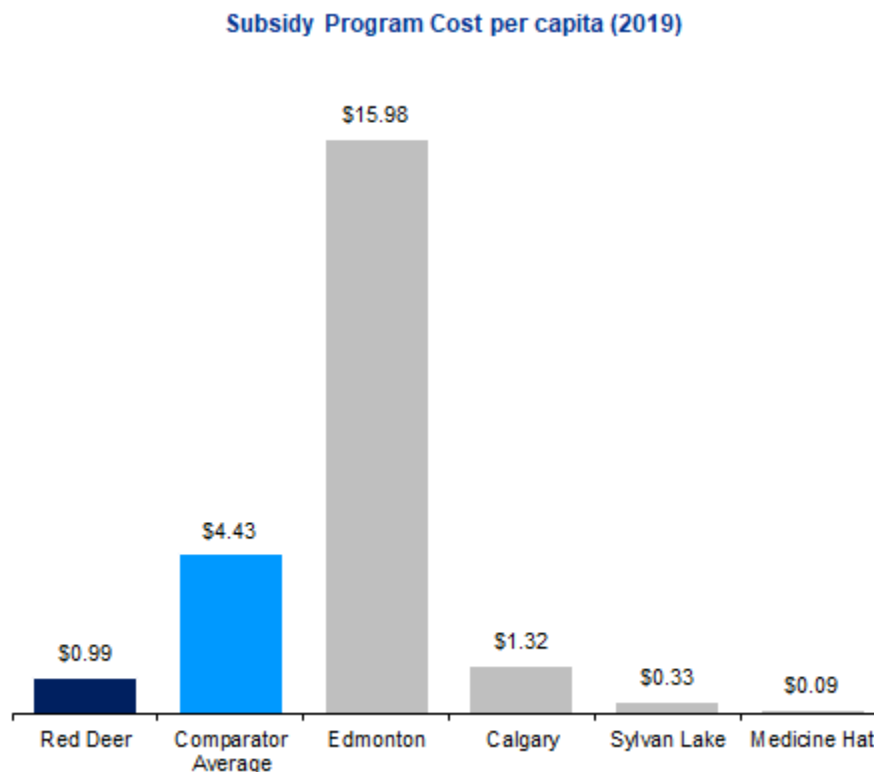
8.2.4 Program Expenditures

Analysis on program expenditures and cost recovery rates was not performed. Actual expenditures related to provision of programs was not available to the level of detailed required at the time of this report.

8.2.5 Subsidy Program Expenditures

The City of Red Deer's cost per capita to provide its subsidy program, the Fee Assistance Program, is below the comparator average. However, due to the limited number of municipalities that provided this data, Edmonton's relatively high cost to deliver its Leisure Access Program raises the average.

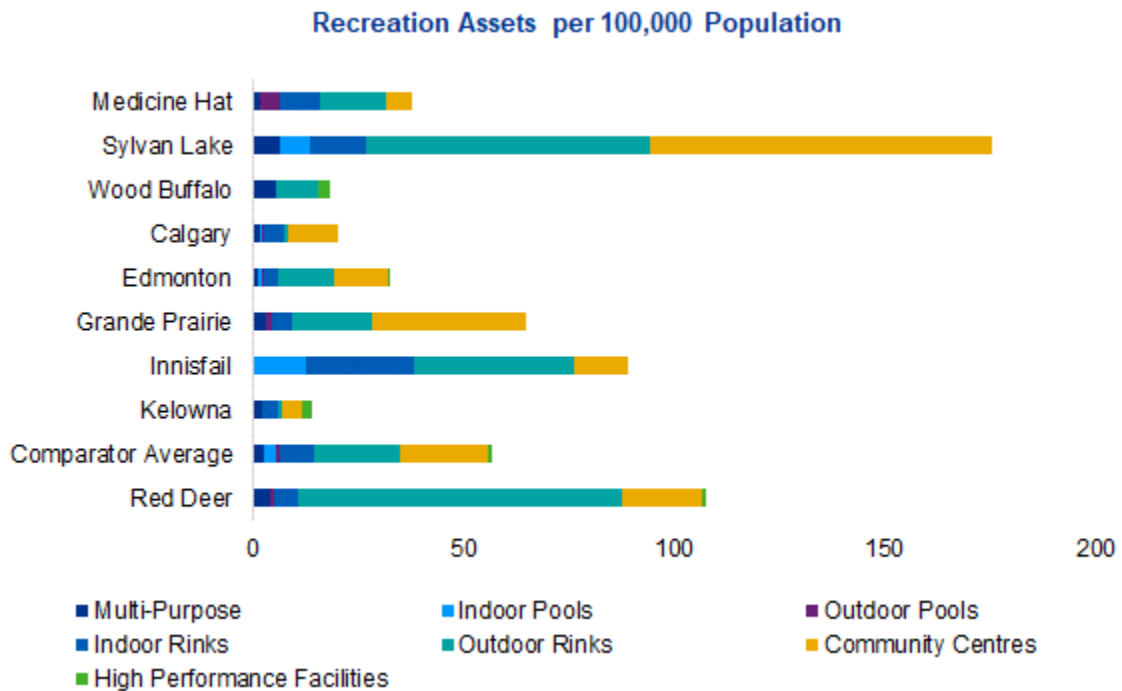**Figure 32: Subsidy Program Cost per capita (2019)**

Subsidy Program Cost per capita (2019)

Red Deer	$0.99
Comparator Average	$4.43
Edmonton	$15.98
Calgary	$1.32
Sylvan Lake	$0.33
Medicine Hat	$0.09

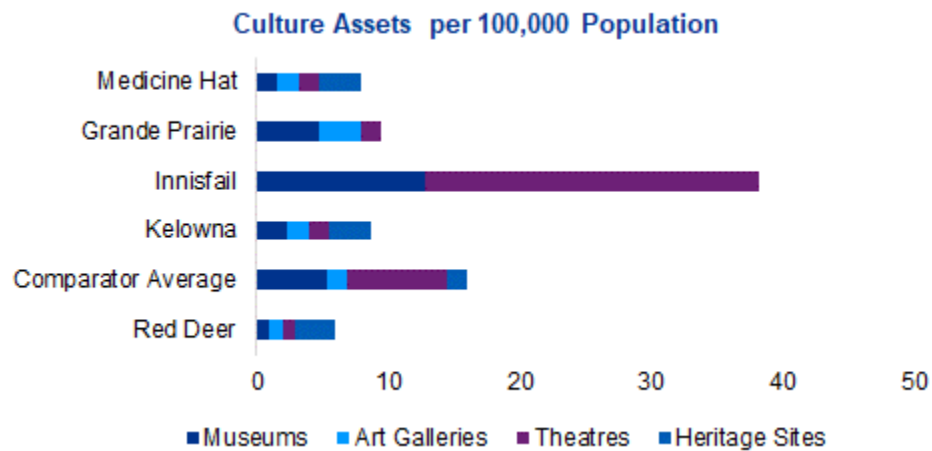## 8.3 Service Provision

8.3.1 Assets per Capita

Red Deer provides a higher number of culture and recreation facilities per 100,000 population, especially in terms of outdoor rinks (3.5 times as many) and heritage sites (3 times as many).

Figure 33: Recreation Assets by Municipality

Figure 34: Culture Assets by Municipality

Leading Practice and Key Trends

In the 21st century, the role of cultural institutions as well as the requirements for cultural facilities continue to change. Whereas institutions were once tasked with simply promoting the creation of art, preservation and education, we now see expectations around "forums of discussion, community spaces, healers, political advocates, and more." [75] Nationally, culture services should address the diversity that reflects Canada's growing immigrant population. Despite the variety of perspectives, "arts and culture often present barriers – physical, intellectual, financial – to participation, engagement and consumption."[76]

Benchmarking suggests that the City provides more outdoor sports fields, outdoor courts, and ball diamonds per capita than the comparator average, notably close to three times the number of outdoor courts. However, Red Deer's provision of playgrounds per capita is lower than the average of data collected.

Figure 35: Parks Assets by Municipality

Source: Prepared by KPMG using benchmarking data collected from the City and participating jurisdictions.

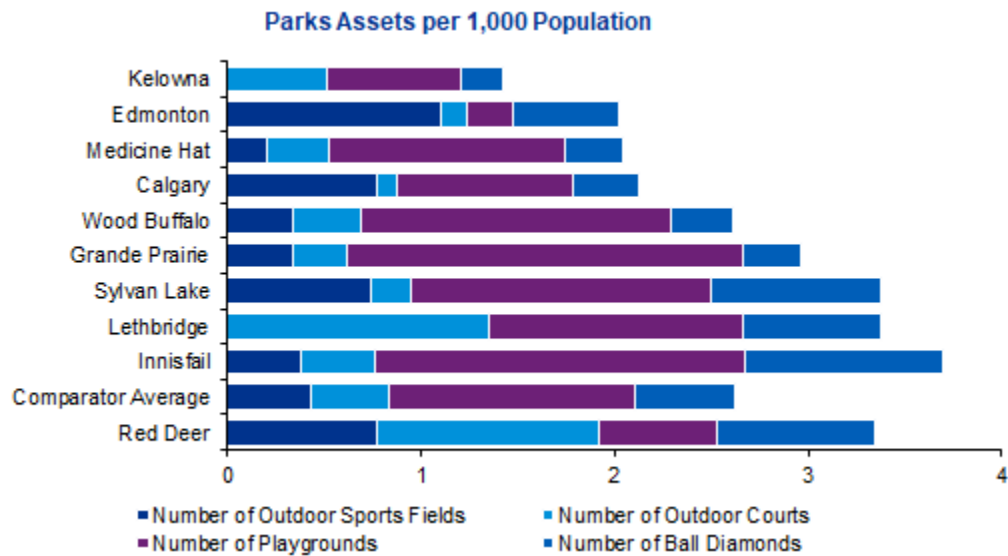As illustrated in Figure 36, the City of Red Deer provides a higher number of sport fields per capita than the comparator average. However, the City provides fewer hectares of sports park land than the average, due in part to Edmonton's high provision rate. It is noted that Edmonton's sports field per capita information was not available in the 2021 Yardstick Report.

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[75] *Strathcona County, Recreation and Culture Strategy: Trends and Best Practices, 2019 rpc-public_engagement-trends-report.pdf (strathcona.ca), page 8 (Accessed August 2021)*
[76] *Strathcona County, Recreation and Culture Strategy: Trends and Best Practices, 2019 rpc-public_engagement-trends-report.pdf (strathcona.ca), page 7 (Accessed August 2021)*

Jurisdictional Scan

Figure 36: Provision of Sports Fields and Park Land (2021)

Provision of Sports Fields and Park Land (2021)

Legend: ■ Total Number of Sports Fields per 1,000 Population   ■ Hectares of Sports Park per 1,000 Population

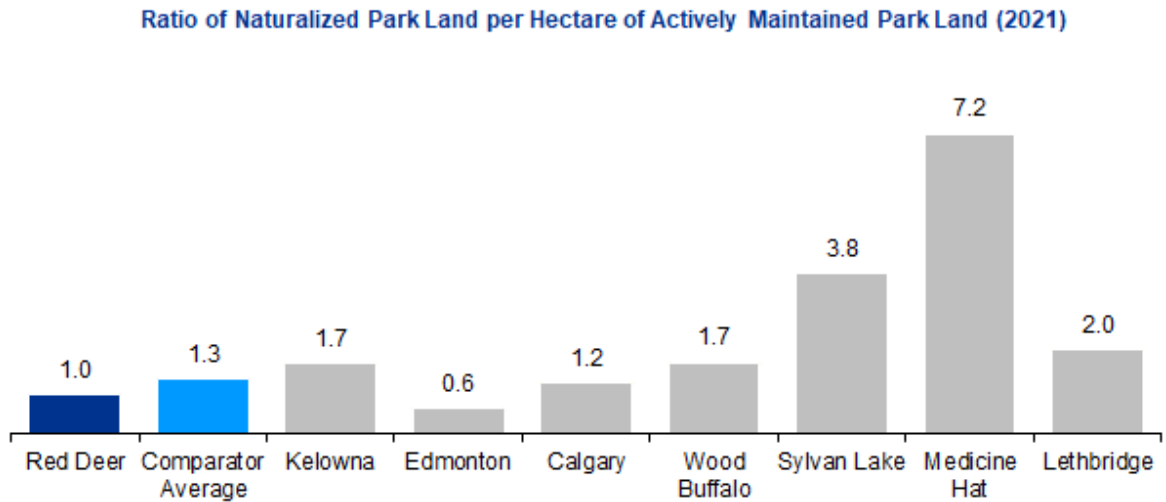Red Deer: 4.8 / 0.9; Comparator Average: 0.7 / 1.3; Calgary: 0.7 / 0.5; Edmonton: 3.0; Medicine Hat: 0.6 / 0.3
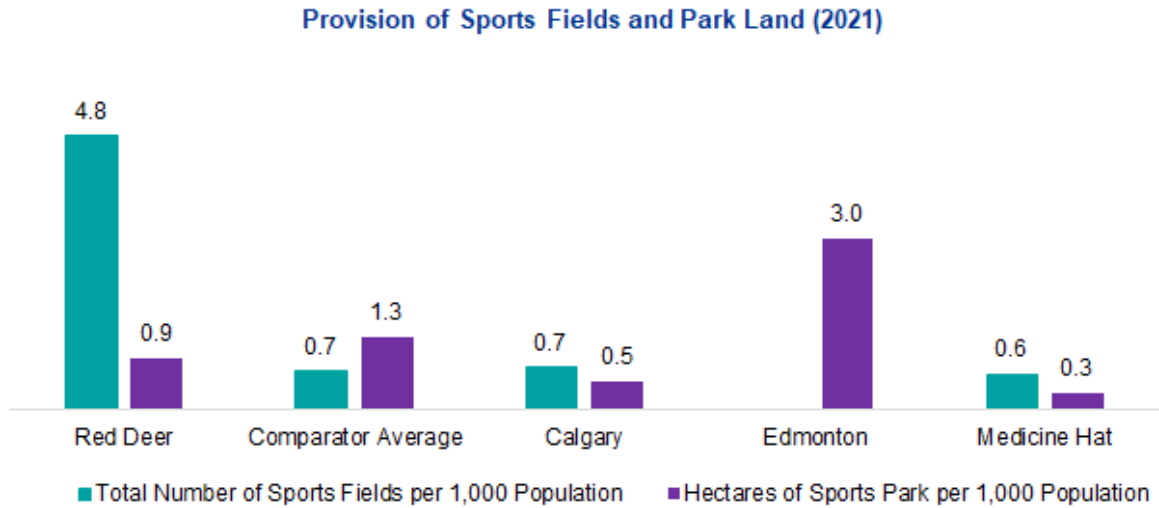
Source: Yardstick Report 2021

Red Deer maintains a lower than average ratio of natural park land relative to each hectare of actively maintained open spaces as well as higher amount of actively maintained hectares per capita than the comparator average. This is significant given that the City's per hectare cost for actively maintaining park land is ten times that of naturalized areas.

Figure 37: Ratio of Natural to Actively Maintained Park Land (2021)

Ratio of Naturalized Park Land per Hectare of Actively Maintained Park Land (2021)

Red Deer: 1.0; Comparator Average: 1.3; Kelowna: 1.7; Edmonton: 0.6; Calgary: 1.2; Wood Buffalo: 1.7; Sylvan Lake: 3.8; Medicine Hat: 7.2; Lethbridge: 2.0

Source: Prepared by KPMG using data provided by the City and benchmarking data collected from participating jurisdictions as well as the Yardstick Report 2021.

Figure 38: Actively Maintained and Natural Park Land by Municipality

Hectares of Municipal Park Land (2021)

■ Actively Maintained Park Land per 1,000 Population   ■ Natural Park Land per 1,000 Population

Source: Prepared by KPMG using data provided by the City and benchmarking data collected from participating jurisdictions as well as the Yardstick Report 2021.

8.3.2   Turf Maintenance Service Levels

Red Deer provides a higher level of service than Edmonton and Calgary in relation to turf trimming. Trimming is tied to mowing frequency, driven by parameters for acceptable grass height, as opposed to limiting it to once or twice per year, as is the case in Edmonton and Lethbridge. Saskatoon offers a basic level of service for mowing and trimming of sports fields except where a fee-for-service agreement is in place and partners pay the difference for a premium level of service (i.e., twice the frequency of mowing, grooming and general maintenance).

Table 24: Turf Maintenance Service Levels

Municipality	Frequency Mowing	Trimming Frequency
Red Deer	7-10 days (standard areas) 3.5-7 days (premium areas)	Follows mowing cycle
Calgary	14 days (standard areas) 7 days (premium areas)	
Edmonton	10-14 days (standard areas) 7 days (premium areas)	1-2 times per year
Lethbridge	7 days (standard areas) 3.5 days (premium)	1-2 times per year
Saskatoon	14 days (non-irrigated) 7 days (irrigated) 3.5 days (fee-for-service rented sports fields)	Follows mowing cycle

Source: Prepared by KPMG using information provided by the City and publicly available information for other municipalities.

8.3.3 Programming Service Levels

The City delivers 47.6% fewer programming hours but a slightly (3.2%) higher proportion of drop-in to registered programming hours.

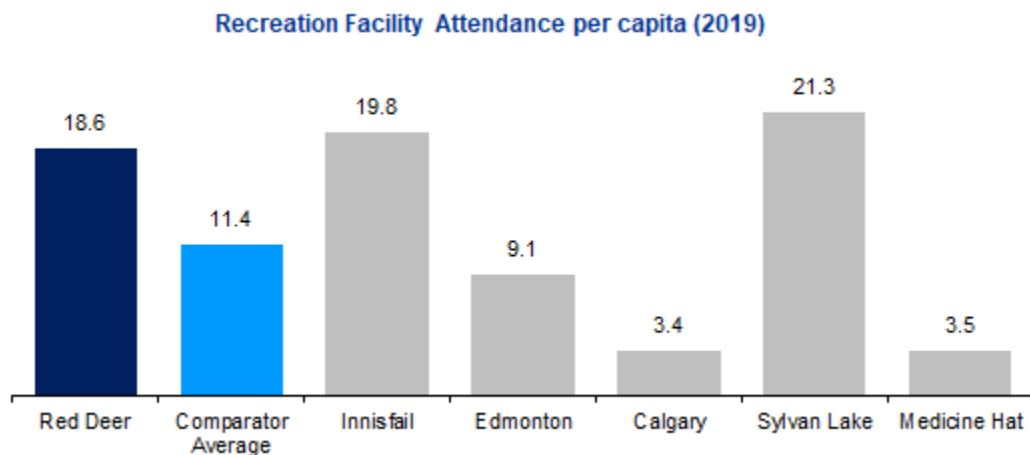**Figure 39: Total Program Hours Delivered (2019)**
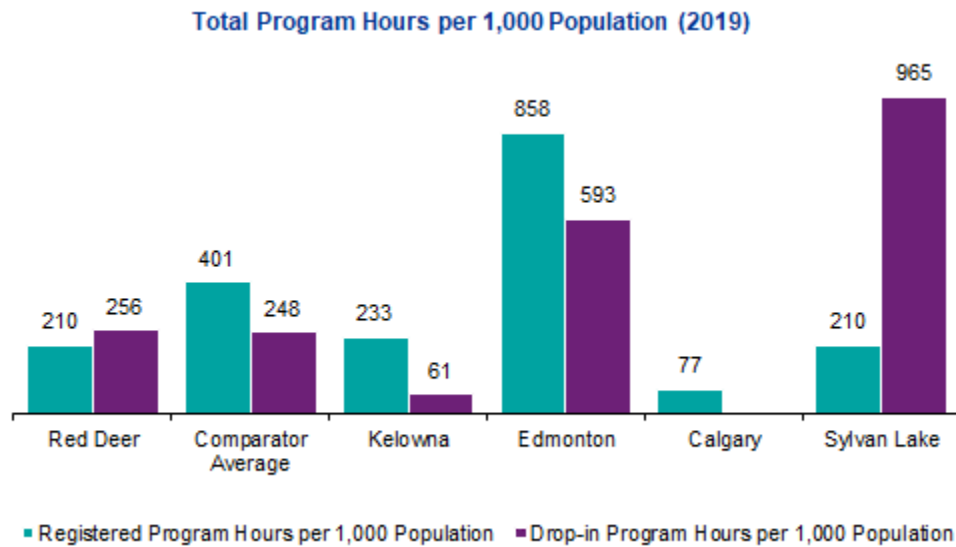
Total Program Hours per 1,000 Population (2019)

Municipality	Registered Program Hours per 1,000 Population	Drop-in Program Hours per 1,000 Population
Red Deer	210	256
Comparator Average	401	248
Kelowna	233	61
Edmonton	858	593
Calgary	77	
Sylvan Lake	210	965

Source: Prepared by KPMG with data provided by the City and benchmarking data from participating comparator jurisdictions.

8.4 Facility Attendance

Attendance per capita at Red Deer's recreation facilities was 63% above the comparator average in 2019. It is noted that Calgary only provided data for City-operated facilities, not for those run by a third party.

Figure 40: Recreation Facility Attendance by Municipality (2019)

Recreation Facility Attendance per capita (2019)

| Municipality	Attendance per capita
Red Deer	18.6
Comparator Average	11.4
Innisfail	19.8
Edmonton	9.1
Calgary	3.4
Sylvan Lake	21.3
Medicine Hat	3.5

Source: Prepared by KPMG with data provided by the City and benchmarking data from participating comparator jurisdictions.

8.5 **Staffing Levels Analysis**

The City of Red Deer's parks and recreation services was staffed with more full-time equivalent (FTE) personnel per capita than the comparator average. Culture services, however, maintained less than the average number of FTEs.

**Figure 41: Full-Time Equivalent (FTE) Staff per 10,000 Population (2019)**
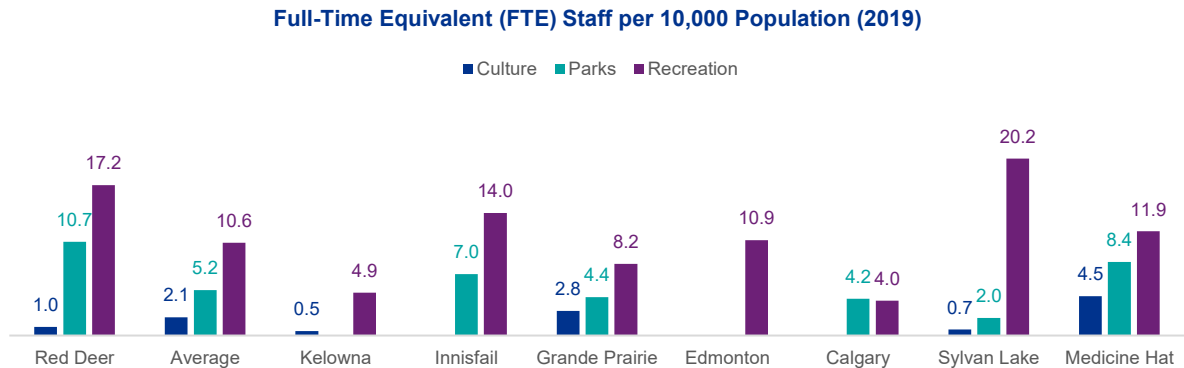
Full-Time Equivalent (FTE) Staff per 10,000 Population (2019)

■ Culture ■ Parks ■ Recreation

Source: Prepared by KPMG using information provided by the City and benchmarking data from participating comparator jurisdictions.

8.6 **Fees and Charges Analysis**

8.6.1 **Admission Fees**

A review of single admission fees and monthly passes for recreation facilities, comparable to each of Red Deer's three pricing tiers, revealed that the City's prices are lower than their comparator averages. These differences were even more pronounced at the monthly pass price point. Comparable facilities for each tier were determined based on a comparison of amenities located at each facility (e.g., number of swim lanes, water park, meeting rooms, fitness centre, specialized activities, etc.).
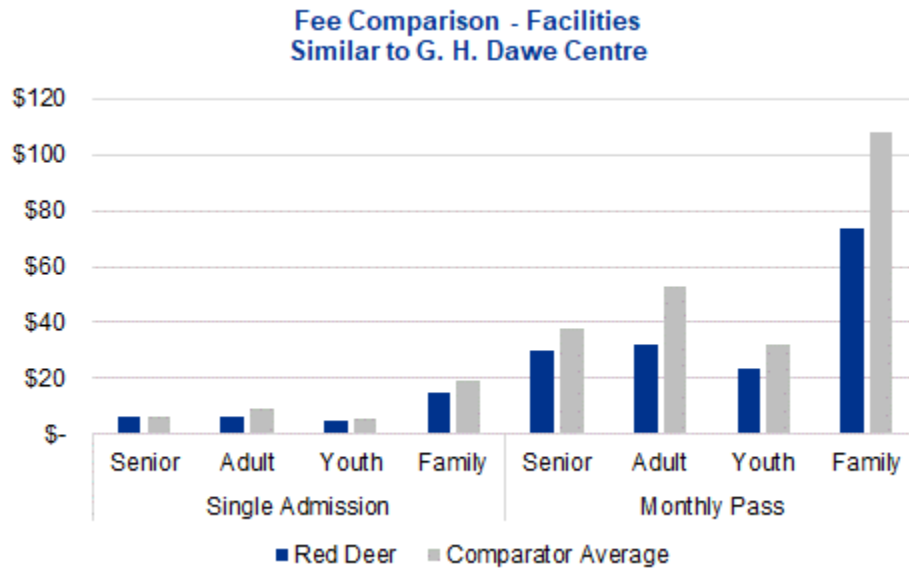
Figure 42: Fee Comparison - Tier 1
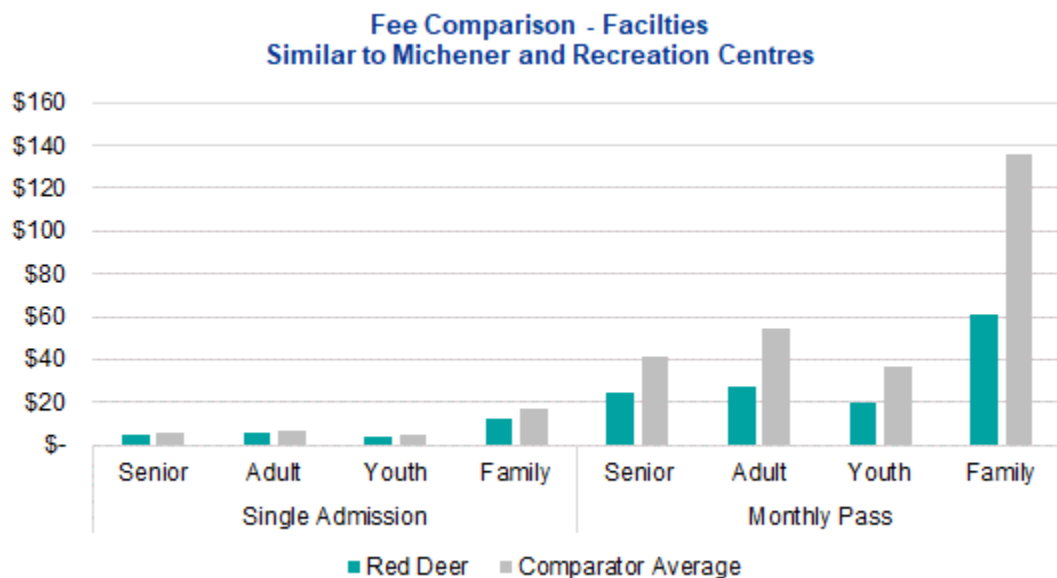
Source: Prepared by KPMG using information from the City and publicly available information from comparator facilities in Calgary, Edmonton, Innisfail, Lacombe, and Lethbridge.
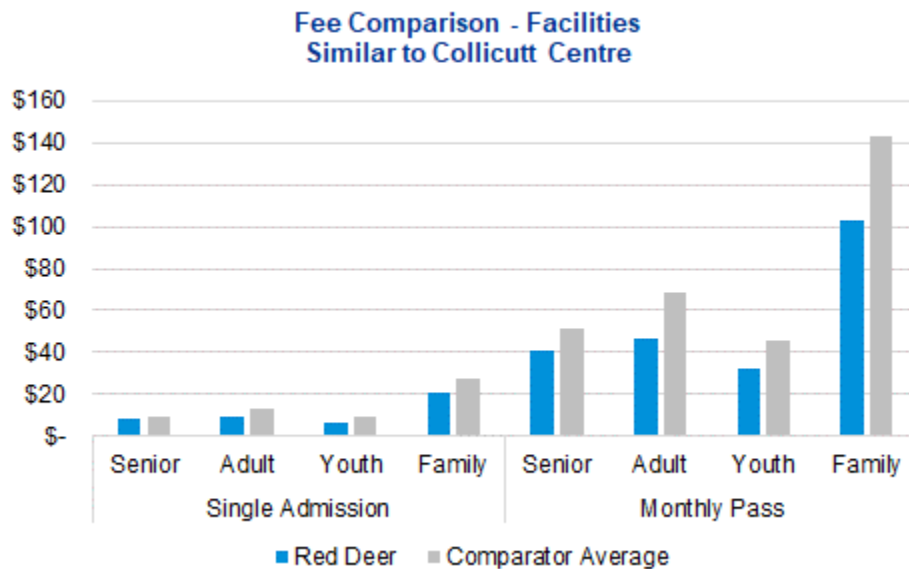
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Figure 43: Fee Comparison - Tier 2

Fee Comparison - Facilities Similar to G. H. Dawe Centre

Source: Prepared by KPMG using information from the City and publicly available information from comparator facilities in Blackfalds, Calgary, Kelowna, Saskatoon, and Sylvan Lake.

Figure 44: Fee Comparison - Tier 3

Fee Comparison - Facilities Similar to Collicutt Centre

Source: Prepared by KPMG using information from the City and publicly available information from comparator facilities in Calgary, Edmonton, Grande Prairie, Medicine Hat and Wood Buffalo.

It is also noted that whereas the City does not have an annual pass, all twelve comparator municipalities offer some form of discount for annual memberships, whether prepaid for the year or billed monthly for an annual commitment.

8.6.2 Fee Assistance Program (FAP) Fees

The City of Red Deer does not currently have a fee or co-pay element of its Fee Assistance Program. Of the nine comparator subsidy programs, five jurisdictions include some form of co-pay, generally a percentage of program registration fees (25-50%). The City of Edmonton does have a nominal charge for the replacement of lost annual passes.

Municipalities vary in their ability to quantify the value of subsidy program participation as maximums can be related to the number of programs enrolled or a capped dollar value (for either usage credits or discounted access/co-pay). Municipalities with a stated maximum dollar value include Lethbridge, $200 for one activity every six months; Medicine Hat, 50% discount up to $320/year; Calgary, youth receive a 90% discount up to $250/year for a maximum of four programs and adults receive a 90% discount up to $50/year for one program; and Innisfail, $200/year for program fees and memberships.

Only three offer unlimited access to recreation facilities similar to Red Deer. Some jurisdictions, such as Grande Prairie, have opted for a 75% discount on memberships and passes and others, such as Innisfail, allow participants to utilize their allotted subsidy maximum towards memberships and admissions as well as program registration fees.

> **Red Deer** and **Kelowna** appear to be unique from other programs in using referral agencies to qualify most or all of their eligible subsidy participants. Most municipalities base their qualifying income threshold's on Statistics Canada's Low-Income Cut-Off (LICO) table.

8.6.3 Rentals and Bookings Rates

Red Deer's rental fees for outdoor sports fields are lower than the comparator average. The City's highest hourly rate for adult and youth sports field rentals are 41% and 50% lower than the comparator averages, respectively. The lowest hourly rate for adults is slightly above average (+5%) however, the lowest youth rate is 32% below the comparator average.

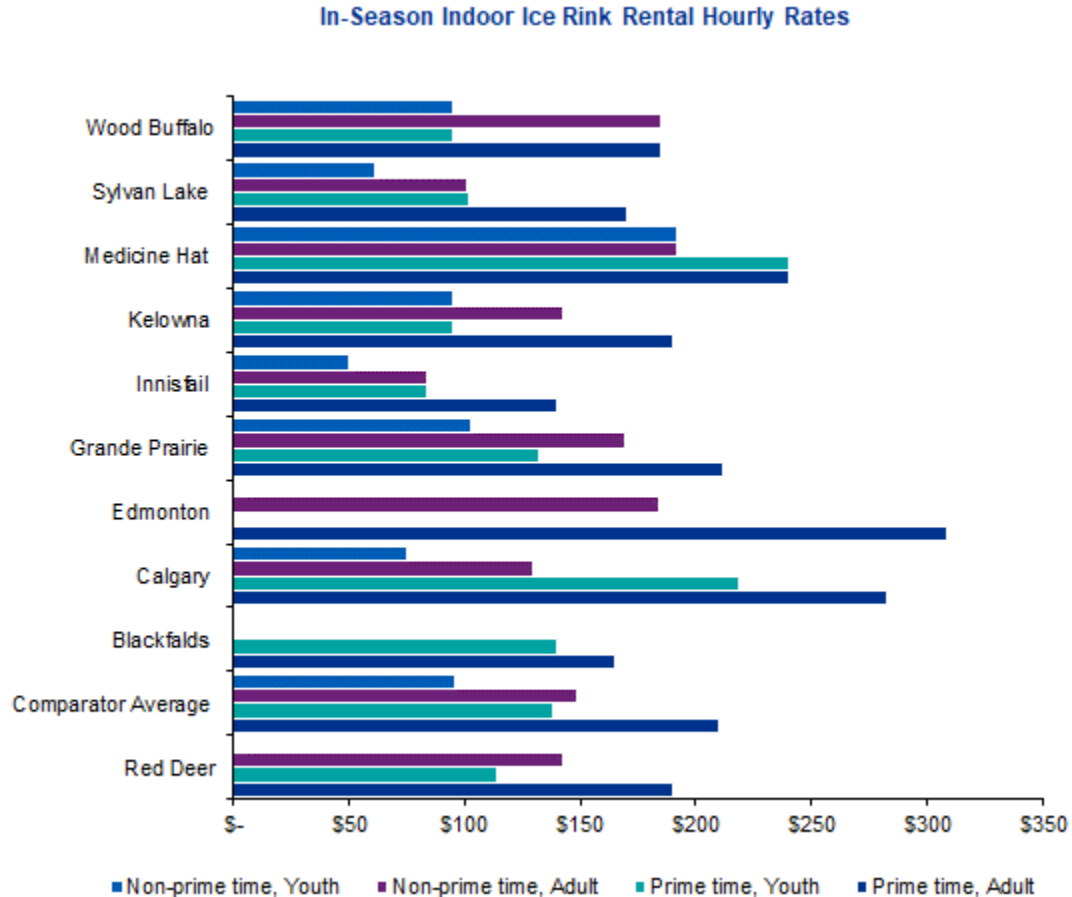**Figure 45: Outdoor Sports Field Rental Rates (2020)**
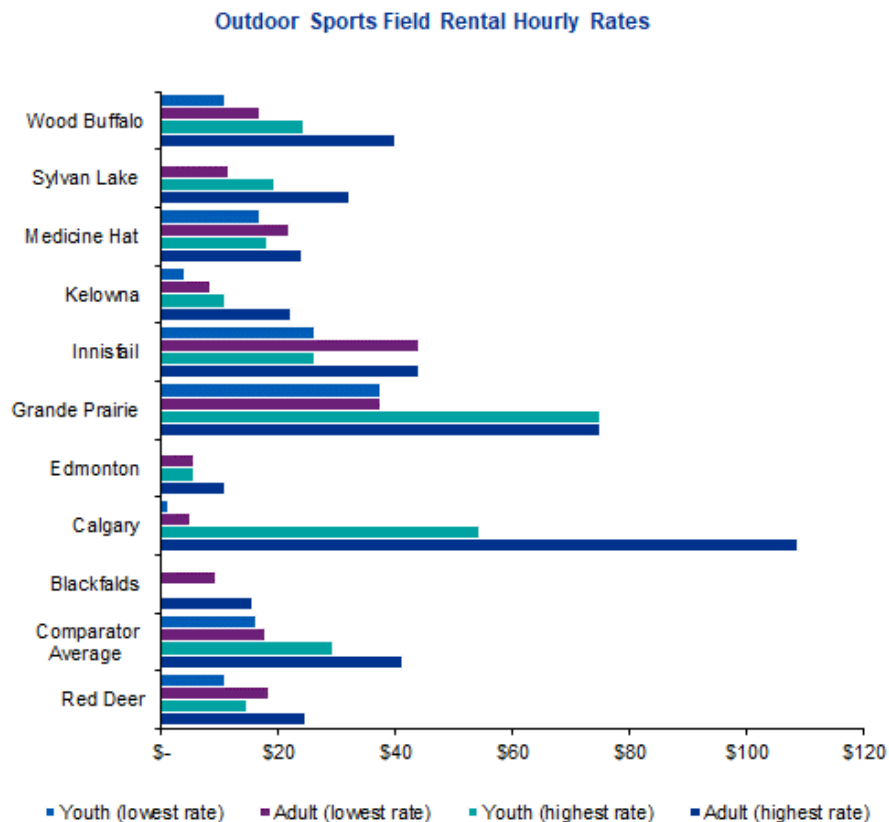
Outdoor Sports Field Rental Hourly Rates

Source: Prepared by KPMG using information provided by the City and benchmarking data from participating comparator jurisdictions.

In-season ice rink rental rates are more closely aligned to the comparator average. Yet prime time adult and youth hourly rates are 10% and 17% below average, respectively, and the non-prime time adult is 4% below average (see Figure 46).

Figure 46: In-Season Indoor Ice Rental Rates (2020)

Source: Prepared by KPMG using information provided by the City and benchmarking data from participating comparator jurisdictions.

8.6.4   Leading Practices – Principled Approaches to Fee Structures

Calgary's Guidelines for Tax Support and User Fees

Although the topic of user fees generally arises from financial considerations, the level to which a municipality ought to fund the balance of both individual and societal benefits Calgary's administration explored this as a broader policy direction in 2018.

Recognizing that user fees are useful tools to manage demand for limited resources as well as a mechanism to promote equity, the City of Calgary's Long-Term Support Rates for User Fee Related Services provides guidelines and principles that inform their approach to several

Figure 47: City of Calgary's Steps to Arrive at a Recommended Long-term Tax Support Rate

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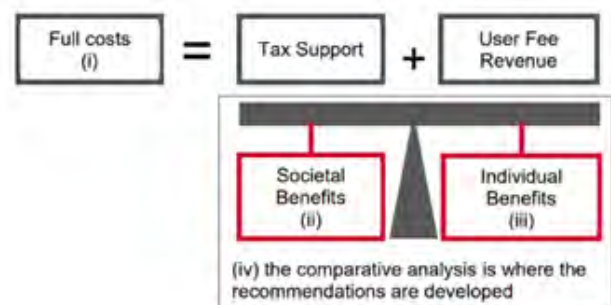
service areas, beyond recreation access and programming.

Edmonton's User Fees White Paper

In 2016, as part of its Financial Sustainability Plan, Edmonton's Administration approached the discussion of developing a corporate policy for user fees and subsidies to support their city's financial, economic, social, and environmental strategic objectives, beyond policies specifically for transit and recreation services. This broader discussion paper outlines several guiding principles, defines key terms, and offers a variety of question for further consideration.

Figure 48: Sample Questions for Consideration on User Fees

QUESTIONS FOR CONSIDERATION
- Are targeted subsidies based on age justified if the intention is to address income disparity?
- Is full tax-supported subsidization justified if a program or service derives clear private benefits?
- Is levying user fees on transit users but not roadway users justified if both derive clear private benefits?
- Should the City consider charging different user fee rates for different levels of service?

Of note, the white paper emphasizes the importance of knowing the full cost of services, identifying those that benefit from services and acknowledging the difference between common and targeted subsidies.

Source: Excerpt from the City of Edmonton's The Way We Finance: User Fees White Paper, 2016.

8.7 Organizational Structure

8.7.1 Approach to Administrative Structure

A scan of the comparator jurisdictions confirmed that municipalities maintain a variety of approaches from unique departments for each culture, parks and recreation to a single combined division, as well as various combinations with other related departments such as public works, Family and Community Support Services (FCSS) and economic development.

Most jurisdictions have experienced transitions from one organizational approach to another, similar to Red Deer's most recent change from the consolidated Recreation, Parks and Culture department to its current form, Recreation and Community Development as sections within Safe and Healthy Communities, and Parks as a section within Parks and Public Works.

8.7.2 Key Themes Across Different Structures

Most municipalities interviewed have a history of trying multiple approaches, such as combined versus separate units, and described several of the strengths and challenges for each, as depicted below in Table 25.

Table 25: Comparison of Organizational Structure Approaches

Approach to Organizational Structure	Strengths Identified by Interviewees	Challenges Identified by Interviewees	Current Examples
Culture, Parks and Recreation Combined	Co-location promotes greater awareness and collaboration, ability to align priorities/budget	Department is often too large, high proportion of municipal FTE count	
Three Separate Units	Manageable size, focus on each scope work	Requires very deliberate communication and collaboration processes	Blackfalds
Culture and Recreation Together	Synergies in terms of program coordination, event resource sharing	Potential for misaligned budget priorities between Recreation and Parks, perpetuate silos and communication gaps	Edmonton Kelowna Lethbridge Saskatoon Sylvan Lake

Approach to Organizational Structure	Strengths Identified by Interviewees	Challenges Identified by Interviewees	Current Examples
Parks and Public Works (or Infrastructure)	Flexibility to utilize similar personnel and equipment types where they are needed most, responsive to seasonality	Emphasizes the need to clarify roles and responsibilities related to booking, maintaining, and animating outdoor spaces	Grande Prairie Innisfail Kelowna Wood Buffalo
Recreation in combination with Economic Development	Supports a mindset that looks for opportunities to realize assets' fullest potential, recognize complementary goals (tourism/events), openness to innovation	If mindset isn't pervasive, there can be tension between economic considerations and viewing services as a public good	Sylvan Lake
General Observations:	Regardless of configuration there is a need for clear and consistent communication – which, in practice, tends to rely on leadership setting the tone to promote collaborative interdepartmental relationships.		

Source: Prepared by KPMG using information collected from benchmarking interviews with participating comparator municipalities.

8.8 Strategy and Operating Models

8.8.1 Use of Partners and Contracted Services

Other municipalities, such as Calgary, Kelowna, Lethbridge, and Wood Buffalo, utilize partnerships and fee-for-service agreements to a greater extent than the City of Red Deer. The Regional Municipality of Wood Buffalo is unique in that it has created a Part IX company to operate facilities and deliver programming across the region at arm's length from the municipality, however ice time allocation is run through the municipality.

> The **Town of Innisfail** has adopted a more focused use of partners and consider their relationship with Alberta Health Services and the Primary Care Networks as one of their strengths.
> Emphasis on **seniors or age-friendly programming** offers complementary benefits through recreation and culture programming as well as social outcome and the Family and Community Support Services.

Calgary and Lethbridge have fairly robust policies and processes around what defines a partnership and how success is measured. Partnerships and purely transactional, fee-for-service contracts are clearly distinguished in Lethbridge. Saskatoon is in the process of developing its partnership framework to promote efficiency, transparency and manage expectations for both the City and prospective partners.

Lessons obtained from partnership experiences suggests that municipalities should have a clear sense of their mandate and priority areas for the provision of culture, parks, and recreation services, then identify whether third parties or the municipalities are best suited to provide. Fruitful partnerships, and even contracted services to some extent, require an investment in relationship building, monitoring, and coaching, and should be pursued simply for the sake of increasing volume of partnerships. If third parties are in a better position to operate facilities or deliver programing on behalf of the municipality, Administration's role shifts to ensuring quality services delivery through transparent reporting and providing relevant metrics that support strategic goals and outcomes.

8.8.2 Strategic Planning Documents

Master planning processes were identified as a common tool that municipalities utilize to promote strategic align within and between services. The scope and key components of a master plan may vary but each provides guiding principles, objectives and outcomes that inform lower order planning documents, such as capital or business plans. Notable themes or features with potential relevance for Red Deer's consideration may include defining a collaborative operating model, a partnership

framework, emphasis on community capacity building, alignment and collaboration with other service areas and the extent to which facilities and asset planning are included.

The City of Red Deer appears to be lagging behind many of its comparator municipalities in terms of maintaining relevant master plans that provide strategic direction for the recreation, parks, and culture service areas.

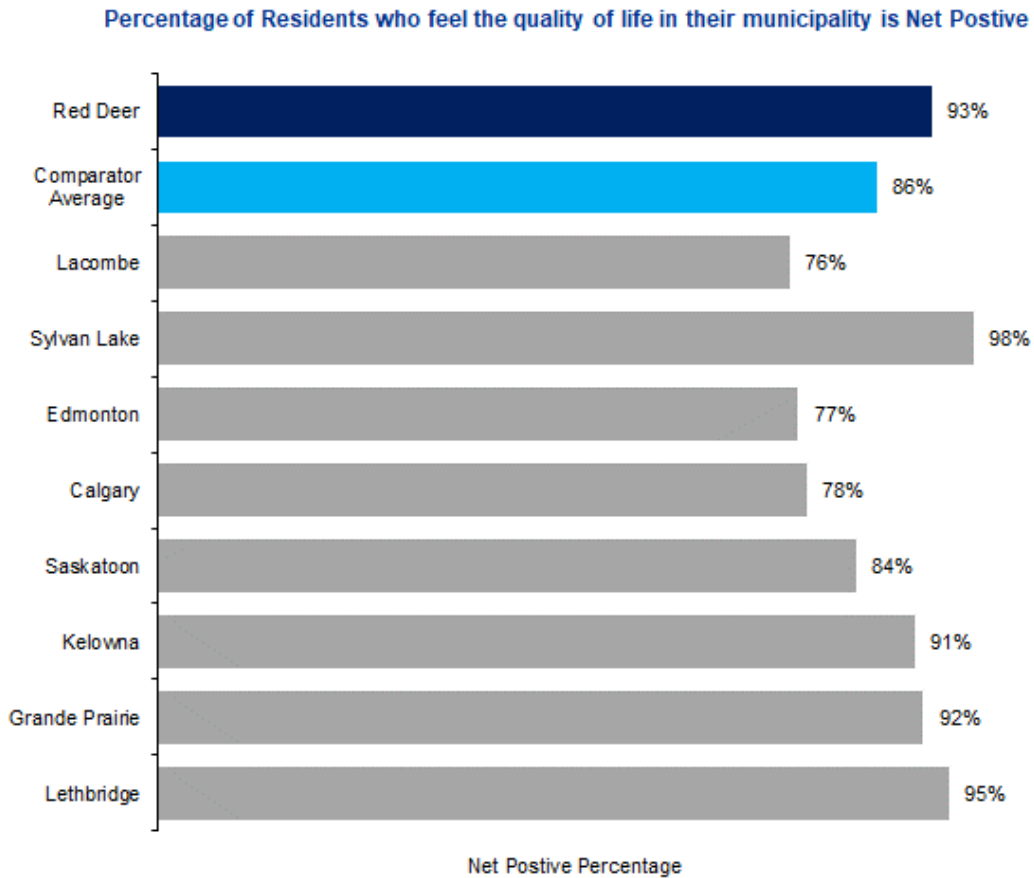**Table 26: Master Plan Documents by Municipality**

Municipality	Master Plan Type	Year	Recreation	Parks	Culture	Notable Features
Red Deer	Urban Forest Management Trails Community Culture Community Service Recreation	2007 2005 2001 1991 1980	 X X	X X X 	 X X 	- Several plans are outdated and no longer reflect local realities or organizational structures of these service areas
Blackfalds	Civic Facilities	2018	X	X	X	- Development strategy for all civic facilities and assets
Calgary	Recreation Urban Parks Management Open Space	2010 1994 2002	X 	 X X		- RMP includes Collaborative Service Delivery Model and partnership framework
Edmonton	Approach to Community Recreation Facility Planning Breathe Urban Parks Management Ribbon of Green	2018 2017 2006 1992	X 	 X X X	X 	- Limited focus on culture - Interconnectivity of green network - Linkage between Parks and Planning/Development
Grande Prairie	Joint Recreation Parks and Open Spaces Cultural	2016 2012 2011	X 	 X 	 X	- Regional plan - Emphasis on formal channels for inter-departmental collaboration
Innisfail	Recreation, Leisure and Cultural Services Trails	2019 2019	X 	 X	X 	- Includes infrastructure plan
Kelowna	Community Sport Plan Cultural Plan	2017 2020	X 		 X	- Cultural Plan includes key themes: Strategic Investments, Spaces, Vitality, Capacity and Connections
Lacombe	Recreation and Culture Open Spaces	2013 2004	X 	 X	X 	
Lethbridge	Recreation and Culture Parks	2021 2007	X 	 X	X 	
Medicine Hat	Parks and Recreation	In Progress	X	X	X	- Appears to integrate all three service areas
Saskatoon	Culture Plan Implementation Refresh Recreation and Parks	2018 2015	 X	 X	X 	- RPMP includes Partnership Framework, recommends a partnership policy (in progress)
Sylvan Lake	Cultural Recreation, Parks and Open Space	2017 2010	 X	 X	X 	
Wood Buffalo	Culture Parks Regional Recreation	2019 2019 2015	 X	 X 	X 	- CMP emphasizes utilizing partners and building community capacity

Source: Prepared by KPMG.

8.9 **Satisfaction Rates Analysis**

The most recent satisfaction rates related to quality of life are higher in Red Deer than many of its comparators. Satisfaction specifically with recreation and culture services also appears higher than the comparator average. The City's annual Ipsos survey does not currently include a measure of satisfaction related to parks services.

Figure 49: Most Recent Quality of Life Satisfaction Rates by Municipality

Percentage of Residents who feel the quality of life in their municipality is Net Postive

Municipality	Net Positive Percentage
Red Deer	93%
Comparator Average	86%
Lacombe	76%
Sylvan Lake	98%
Edmonton	77%
Calgary	78%
Saskatoon	84%
Kelowna	91%
Grande Prairie	92%
Lethbridge	95%

Net Postive Percentage

Source: Prepared by KPMG using information provided by the City and publicly available information on comparator jurisdictions.

Figure 50: Most Recent Satisfaction Rates by Service Area

Percentage of Residents who are net positively satisfied with their municipal services

City	Culture	Recreation	Parks
Red Deer	92%	92%	
Comparator Average	83%	83%	86%
Lacombe	72%	62%	64%
Sylvan Lake	93%	91%	87%
Calgary	80%	88%	95%
Saskatoon	82%	82%	82%
Kelowna	89%	89%	91%
Grande Prairie	90%	76%	92%
Lethbridge	78%	91%	94%

Net Postive Percentage

■ Culture　■ Recreation　■ Parks

Source: Prepared by KPMG using information provided by the City and publicly available information on comparator jurisdictions.

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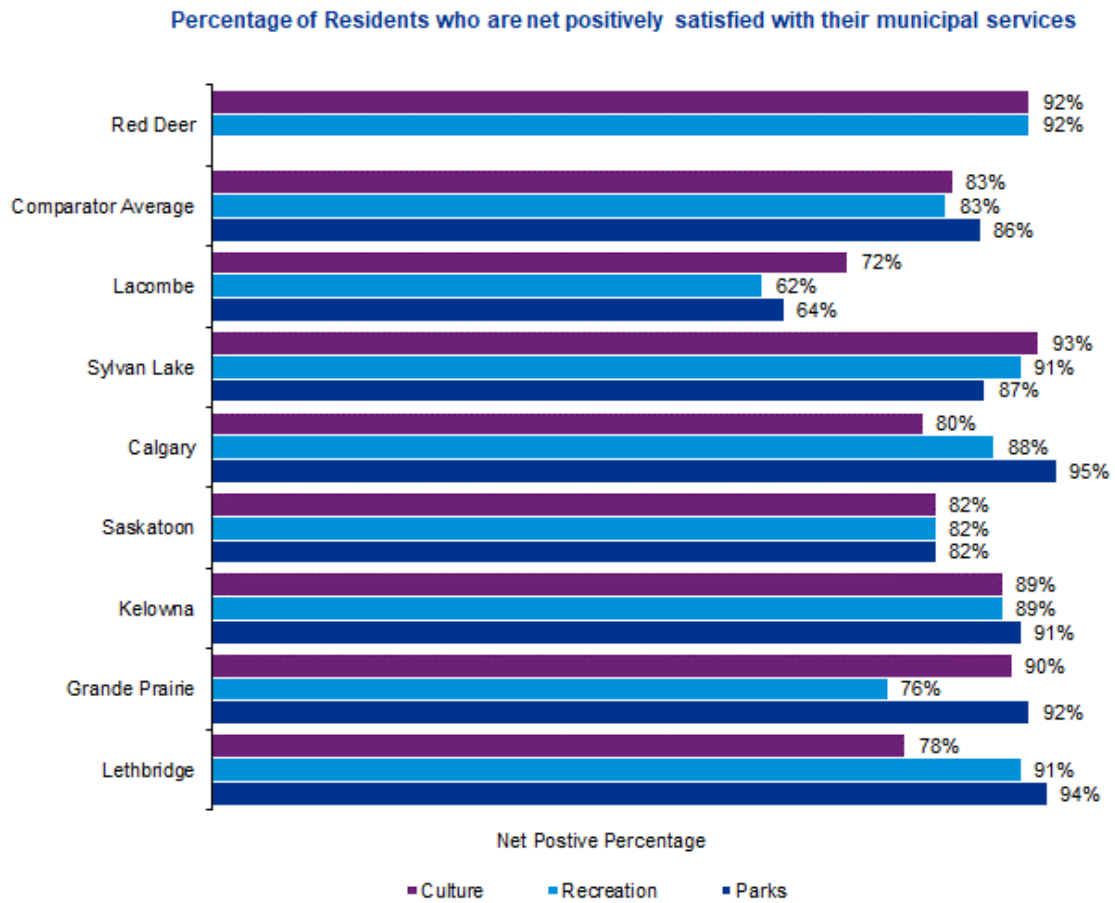
9 Appendix C: Opportunity Assumptions

The following outlines the key assumptions used to quantify select opportunities.

9.1 Reduce Tree Maintenance Costs

Item	Number	Source
Number of Planted Trees	35,000	Provided by the City (May 12, 2021)
Annual Maintenance Cost per Street Tree	$65	Yardstick Report
Number of Street Trees	11,143	Yardstick Report
Number of Park Trees	23,857	Calculated from total planted trees and number of street trees
Cost of Street Trees	$730,000	Yardstick Report
Cost of Park Trees	$393,000	Calculated from total costs and street tree costs
Street Tree Maintenance Cost (Median)	$39 / Tree	Yardstick Report

Key assumptions:

— The cost to maintain per street tree is high relative to comparators. Therefore, the savings in this opportunity have been targeted to finding efficiencies or service reductions in the level of tree maintenance for street trees.

9.2 Increase Naturalization of Existing Park Land

Item	Number	Source
Area (hectares) per Type of Park Land		
Natural	866	Provided by the City
Maintained by CoRD	163	Provided by the City
Maintained by Others	990	Provided by the City
Sports Fields	130	Provided by the City
Other green space	2,392	Provided by the City
Annual Maintenance Costs per hectare per type		
Natural	$900	Yardstick Report
Maintained by CoRD	$9,191	Yardstick Report
Maintained by Others	$9,191	Assumed based on CoRD Active Maintained Cost
Sports Fields	$6,260	Calculated based on budget estimate for sports fields provided by the City
Other green space	$398	Calculated based on other values above and total OpEx

Item	Number	Source
Total	$11,640,000	City financial data
One-time Conversion Cost / Hectare	$3,000	Assumption based on estimates from other jurisdictions
Total non-naturalized land (excl. sports fields)	3,421 ha	Hectares of actively maintained and other green space
Portion of Park Land Eligible for Naturalization	25%	Illustrative value

Key assumptions:

— Scenario analysis was conducted on the proportion of land determine to be eligible for naturalization. Therefore, only 25% of non-naturalized land was considered in this analysis and applied against the scenarios of 5% and 10%.

— One-time conversion costs are estimated to assume all site selection and assessment, re-seeding / re-planting requirements, and other one-time costs to convert the land.

9.3 Reduce Service Levels on Maintained Park Land

Item	Number	Source
Contracted Mowing Area	526 ha	Provided by the City (as 1,300 acres)
Current annual mowing cost per hectare	$257	Provided by the City (as $635/acre)
Cost reduction (e.g., savings from mowing less)	50%	Estimated from reduction of weekly to bi-weekly mowing, based on jurisdictional scan
Eligible for reduced mowing	75%	Illustrative value
Implementation Cost (e.g., studies)	$25,000	Illustrative value

Key assumptions:

— This analysis focuses on mowed hectares by contractors. It is assumed the hectares mowed by the City are on the higher priority areas and would not experience the same level of reduction.

— Cost reduction was assumed from reducing the mowing frequency from weekly to bi-weekly.

— This opportunity assumes that not all hectares current mowed would be eligible for level of service reductions. There may be some areas the City wishes to maintain at a higher level of service.

9.4 Increase Cost Recovery for Sports Fields Maintenance

Item	Number	Source
Fee Rate Increase	25%	Estimate based on Jurisdictional Scan
Anticipated Attrition (due to increase)	5%	Illustrative value

Key assumptions:

— A 25% fee increase has been proposed as it falls within the range that comparators are offering.

— It is assumed that an increase in price may result in some attrition of use. Five percent has been used as an illustration.

9.5 Redesign for Sustainability and Increased Equity of the FAP

Item	Number	Source
Scenario 1		
2019 Number of FAP Participants	4,182	Provided by the City
Annual Application Fee per Participant	$5	Illustrative value
Anticipated Attrition (due to increase)	1%	Illustrative value
Scenario 2		
2019 FAP Program Allowance Costs	$97,868	Provided by the City
Co-pay rate applied to program costs over five years	5% in year 1, increasing by 5% per year to 25%	Based on Jurisdictional Scan
Anticipated attrition (due to co-pay) over five years	1% in year 1, increasing by 0.5% per year to 3.0%	Illustrative value
Scenario 3		
2019 Real Revenues by Section		
Recreation	$6,593,449	City financial data
Culture	$140,210	City financial data
Fee increase across Recreation and Culture revenues	0.5%	Illustrative value
Implementation cost (e.g., studies)	$50,000 to $75 000	Illustrative value

Key assumptions:

— Phasing in of co-pay up to 25% over five years, effectively reducing the City's subsidy from 100% to 75% of program registration fees up to the $200 maximum, is proposed because it aligns with the subsidy approach among comparator jurisdictions.

— It is assumed that incorporating even a marginal user fee may result in some attrition of use. Three percent has been used as an illustration for the co-pay scenario and 1% for the application fee scenario.

9.6 Refine Recreation and Culture Revenue Model

Item	Number	Source
2019 Real Revenues by Section		
Recreation	$6,593,449	City financial data
Culture	$140,210	City financial data
Scenario 1		
Fee Rate Increase	5%	Based on Jurisdictional Scan
Anticipated Attrition (due to increase)	1%	Illustrative value
Scenario 2		
Fee Rate Increase	10%	Based on Jurisdictional Scan
Anticipated Attrition (due to increase)	3%	Illustrative value
Scenario 3		
Fee Rate Increase	15%	Based on Jurisdictional Scan
Anticipated Attrition (due to increase)	5%	Illustrative value
Implementation cost (e.g., studies)	$50,000 to $75,000	Illustrative value

Key assumptions:

— A range of 5-15% fee increases has been analyzed as it falls within the range that comparators are offering.

— It is assumed that an increase in price may result in some attrition of use. A range of 1-5% has been used for illustration.

10 Appendix D: Stakeholder Engagement

10.1 Stakeholder Engagement Summary

As part of this review, the majority of engagement was conducted with internal stakeholders through a combination of individual and group interviews as well as working sessions. External stakeholders, primarily representatives from local sport and other non-profit organizations, were engaged through a survey a series of focus group sessions. External engagement included individual interviews with representatives from comparator jurisdictions as part of the benchmarking phase. All engagement sessions were conducted remotely, either through a virtual meeting platform, over the phone or through written feedback. Table 27 lists all of internal stakeholders individually and Table 28 lists the external stakeholder groups that supplied one or more representatives in the engagement process.

Table 27: List of Internal Stakeholders Engaged

Internal Stakeholder Group	Individuals
Audit Committee	Mayor Tara Veer
	Councillor Michael Dawe
	Councillor Tanya Handley
	Councillor Ken Johnston
Senior Leadership	Tricia Hercina; Manager, Business Excellence
	Tara Lodewyk; Acting City Manager; General Manager, Development and Protective Services
	John Sennema; Manager; Land and Economic Development
	Greg Sikora; Manager, Parks and Public Works
	Sarah Tittemore; General Manager, Community Services
	Kristin Walsh; Manager, Safe and Healthy Communities
Steering Committee	Dean Krejci; Chief Financial Officer (*former*)
	Ray MacIntosh; Chief Financial Officer
	Lisa Perkins; Director, Corporate and Employee Services
	Warner Ren; Financial Analyst
Project Manager	Karen Smilar; Divisional Strategist, Corporate and Employee Services
Department Leadership – Recreation	Denis Delemont; Supervisor, Collicutt Centre
	Tamara Greba; Supervisor, Recreation Facilities
	Scot Hepfner; Facility Operations Coordinator
	Barb McKee; Superintendent, Recreation
	Monique Pages; Program Coordinator

	Jesse Smith; Recreation / Sport Coordinator
Department Leadership – Parks	Paul Belliveau; Supervisor, Infrastructure and Waskasoo Park
	John Eastwood; Superintendent, Parks
	Doug Evans; Supervisor, Biodiversity Services
	Susan Katzell; Urban Forester, Biodiversity Services
	Nick Kletke; Parks Construction Foreman, Biodiversity Services
	Ken Lehman; Ecological Services Operations Coordinator, Biodiversity Services
	Bob Schurman; Supervisor, Horticulture, Sports Fields and Cemetery Services
	Jolene Tejkl; Parks Planning Coordinator
Department Leadership – Culture	Josephine de Beaudrap; Community and Program Facilitator
	Amy Erlandson; Program Leader 2
	Bobbi-Jo McKnight; Administrative Assistant
	Bobby-Jo Stannard; Superintendent, Community Development
	Annette Scheper; Community and Program Facilitator
Other City Departments	Michelle Andrew; Corporate Controller
	Sheldon Fandrey: Facility Operations Coordinator
	Robyn Hycha; Supervisor, Accounting and Financial Supports
	Stacey Martens; Supervisor, Business Intelligence and Supports
	Leigh-Ann Martin; Supervisor, GIS
	Curtis Martinek; Superintendent, Facility and Asset Management
	Tracey McKinnon; Division Controller, Community Services (*former*)
	Adam Minke; GIS Technician
	Conrad Tuzon; Division Controller, Community Services

Exact titles to be confirmed.
Source: Prepared by KPMG.

Table 28: List of External Stakeholders Engaged

External Stakeholder Groups	Organizations
Comparator Jurisdictions	Town of Blackfalds
	City of Calgary
	City of Edmonton
	City of Grande Prairie
	Town of Innisfail
	City of Kelowna
	City of Lethbridge
	City of Medicine Hat
	City of Saskatoon
	Town of Sylvan Lake
	Regional Municipality of Wood Buffalo
Recreation Organizations	Alzheimer Society – Memory Trekkers Program
	Boks Kids Canada
	Bower Ponds Recreation
	Central Alberta Slo-Pitch Association
	Falls Prevention Coalition
	Family Services of Central Alberta
	Golden Circle Seniors Centre
	Heritage Ranch
	Red Deer Catalina Swim Club
	Red Deer City Soccer Association
	Red Deer Minor Hockey
	Red Deer Public Library
	Red Deer Public School Division
	Red Deer Public Schools – Early Learning Support
	River Bend Golf and Recreation Area
	Northern Alberta YMCA

Parks Organizations	Alberta Downhill Enduro Club
	Central Alberta Aids Network Society / Turning Point
	Central Alberta Regional Trail Society
	Parkland Ski Club
	Red Deer Association for Bicycle Commuting
	Red Deer BMX Club
	Red Deer Hospice Society
	Red Deer River Naturalists
	Waskasoo Environmental Education Society
Culture Organizations	Central Alberta Theatre
	Red Deer Arts Council
	Red Deer Cultural Heritage Society
	Red Deer Museum and Art Gallery
	Red Deer Pottery Club
	Red Deer Symphony Orchestra

Source: Prepared by KPMG.

11 Appendix E: Document Review

11.1 Summary of Documents Reviewed

The City of Red Deer provided access to a number of key strategic and operational documents as well as an illustrative sampling of its agreements and invoices. The types of documents reviewed by KMPG in service of this review are listed alphabetically in Table 29.

Table 29: List of City-Provided Documents Reviewed

Documents Reviewed by KPMG
A Framework for Recreation in Canada: Pathways to Wellbeing
Access for Support Persons Procedure
Active Alberta Policy, Government of Alberta, 2011-2021
Allocation Procedures (e.g., indoor ice, dry space, sports fields)
Altalink Reports (e.g., Three Mile Bend, Heritage Ranch)
Approved Capital Budget Plan for Recreation Parks and Culture 2020-2021
Asset Reports, Location Analysis 2018-2020 (e.g., Bowers Place, Kiwanis Picnic Shelter, Servus Meeting Rooms)
Business Unit Code Mapping (post re-organization)
Capital Job Tracking Spreadsheet 2020
Community Culture Development Fund, Recipients List 2019-2020
Community Culture Master Plan 2001
Community Development Grant Report, Standardization Initiative Recommendation to Council 2020
Community Recreation Enhancement Grant Documentation (incl. annual reports, application guidelines, terms of reference)
Community Services Division Services Action Plan 2003-2006 (incl. People, Places)
Community Services Green Space and Facility Action Plan 2011-2015
Community Services Master Plan 1991
Construction Asset Agreements (e.g., Red Deer Skating Club)
Construction Management Agreements (e.g., CANA Management)
Contract Management Dashboard, All Active Recreation, Parks and Culture Contracts
Contract Summary Forms (e.g., Downtown Flower Program, Playground Inspections, Turf Mowing and Trimming)
Corporate Information Technology Plan 2019
Council Workshop 2017 Presentation, Recreation Service Levels and Standards

Cultural Facility Needs Assessment 2018

Culture Development Grant Agreements (e.g., Tree House Youth Theatre)

Determining Recreation Service Levels, Summary of May 2017 Council Workshop

Facility and Equipment Assessments (e.g., aquatics, sports fields)

Facility Condition Index Report 2015

Facility Exclusive Space Rental Rates Policy

Facility Use Allocation Policy

Facility Visitor Attendance Data 2016-2020

Fee Assistance Program Balance Score Card 2019

Fee Assistance Program Management Plan 2017

Fee Assistance Program Pass Usage Data 2016-2019

Fee Assistance Program Recommendations 2016

Fee Assistance Program Report 2007

Fee Assistance Program Report on Recommendations 2020

Fee Assistance Program, Total Hours Used Summary 2016-2019

Fee Assistance Referral Agency Memorandum of Understanding (e.g., John Howard Society)

Fee Assistance Statistics 2016-2020

Fees and Charges Summaries (e.g., cemetery, ice)

Fees and Charges, Council Policy

Financial Summary for Recreation, Parks and Culture 2016-2020

Food and Beverage Vending Agreements (e.g., M.A.C. Leasing and Vending)

GIS Files (e.g., playgrounds, sports fields)

Growth Monitoring Report: 2017 Trends

Ice Facilities Plan and Research Report 2016

Intelli Program Registration and Maintenance Module Owner Working Group Terms of Reference 2019

Intelli Sustainability Plan 2018

Investing In Canada Infrastructure Program (e.g., Dawe expansion letter)

Level of Service, Parking Lot Snow Removal

Licence to Occupy, Contract Summary Form (e.g., Alberta Downhill Enduro Club)

License and Operating Agreements (e.g., River Bend Golf and Recreation Society)

Major Events Strategy and Destination Development Framework 2021

Operating Grant Agreements (e.g., Red Deer and District Museum Society, Waskasoo Environmental Education Society)

Organizational Charts (e.g., Business Excellence, Community Services, Safe and Healthy Communities)

Outdoor Sport Fields Report 2014

Parks For All: An Action Plan for Canada's Parks Community 2017

Parks Superintendent Knowledge Transfer Document 2021

Principles to Guide Parks Service Levels and Use Policy

Program Evaluations 2016-2020 (incl. children, teens, adults)

Program Hours Summaries, 2016-2020

Program Policy for Recreation, Parks and Culture

Property Statement of Values and Construction, Occupancy, Protection and Exposure for Recreation, Parks and Culture Assets 2016-2020

Public Art Policy and Tracking List

Reciprocal Use Agreements, Schedules and Invoices (e.g., school boards)

Recreation and Culture Asset Management Plan 2018

Recreation and Culture Customer Survey Results

Recreation and Facility Hours of Operation Procedure

Recreation and Parks Concept Plans (e.g., Great Chief Park, Heritage Ranch, Rotary Recreation Park)

Recreation Facility Usage Report

Recreation Master Plan 1980

Recreation Rental Report Summary of Hours and Revenue 2021

Recreation Service Level Summary Details

Recreation Service Plan 2020-23

Recreation, Parks and Culture Community Needs Assessment 2008

Red Deer College Services and Charges Invoiced 2012-2018

Red Deer County Reciprocal Use Documentation (incl. agreement, usage report)

Regional Trail Closures on Public Park Land Policy

Rental Fees 2020

Salary Budgets for Recreation, Parks and Culture 2015-2021

Service Agreements (e.g., Reid Signs)

Service Summary for Recreation, Parks and Culture

Social Policy Framework

Sponsorship Accounting Procedure

Sponsorship Agreements (e.g., Stantec)

Sport for Life: Long-term Development in Sport and Physical Activity 3.0, Government of Canada, 2019

Sport User Group Check Ins, Stakeholder Feedback Results 2021

Ten-Year Capital Planning and Infrastructure Maintenance Plan, Community Services Division 2021-2030

Trails Master Plan 2005

Urban Encampment and Debris Cleanup on Public Lands Annual Report 2020

Urban Encampment Financials (incl. cost projections, actual staff/equipment)

Urban Forest Management Plan 2017

User Fee Guide for Recreation, Parks and Culture Services 2020-2022

Variance Reports for Recreation, Parks and Culture 2016-2020

Waskasoo Environmental Education Society Memorandum of Understanding

Yardstick Report: Parks Benchmarking for the City of Red Deer 2019-2021

Source: Prepared by KPMG.