

**Community Services Report to
SPC on Community and Protective Services
2019 September 11**

**ISC: UNRESTRICTED
CPS2019-1055**

Flatwater Pool Business and Service Continuity Update

EXECUTIVE SUMMARY

On 2019 July 23, Council approved Proposed 2019 Budget Reductions (C2019-0901) which included stopping services at two flatwater pools. This recommendation was in alignment with strategic service delivery recommendations in the Council-approved Calgary Recreation Zero-Based Review (ZBR) (PFC2018-0647). A Motion Arising was approved as part of C2019-0901 to fund interim service provision at the two sites for the 2019 year, providing time to consider business continuity opportunities and for discussions with area Councillors.

Per that direction, Administration met with three area Councillors to discuss business continuity opportunities and engagement of impacted stakeholders around business continuity opportunities and how to mitigate impacts of stopping services.

Administration pursued three lines of exploration: (1) options to continue service at the specific facilities; (2) alternative uses for the impacted sites; and (3) service continuity for impacted user groups. Initial analysis of options for the facilities (lines of exploration 1 and 2) has identified operating, redevelopment, and expansion limitations resulting from the building, land area and labour requirements but requires further investigation before reaching conclusion. Attachment 1 includes additional site details. Progress has been made on finding alternate locations for user groups (line of exploration 3) and work will continue to find alternate accommodation options for the remaining groups.

ADMINISTRATION RECOMMENDATION:

That the SPC on Community and Protective Services recommends that Council direct Administration to continue to explore business and service continuity options for the two flatwater pool facilities and report back to Council no later than 2019 November 30.

RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2019 SEPTEMBER 11:

That Council:

Direct Administration to continue to explore business and service continuity options for the two flatwater pool facilities and report back to Council no later than 2019 November 30.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 July 23, with respect to Report C2019-0901, Council approved the following Motion Arising:

Pending discussions on business continuity opportunities and area Councillors, allocate up to \$800,000 from 2019 Corporate Program Savings to allow for interim servicing of the community

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recreational assets referred to in Line 75 – Recreation Opportunities for the 2019 year, and report to Council on 2019 September 30.

BACKGROUND

On 2019 July 23, Council approved Administration's proposed budget reduction package which included stopping direct delivery of City services at two flatwater pool facilities. The two identified pools were put forward for budget savings because of poor financial operating performance due to changing citizen preferences which have resulted in limited and declining participation at these facilities, and the aging configuration of the facilities which no longer meet citizens' service level expectations for public recreation. The reduction was informed by the age and condition of the facilities and by the broader service provision strategies as identified in the Calgary Recreation ZBR (PFC2018-0647), including the availability of alternate publicly accessible aquatics service within the catchment area. For additional background on facility conditions, see Attachment 1 and for usage data see Attachment 2. A description of alignment to the guiding principles for the permanent operating reductions is included as Attachment 3.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Arising from the 2019 July 24 meeting with the three area Councillors, Administration pursued three paths of exploration:

1. Options to continue service at specific facilities

In alignment with the Recreation ZBR, which identified a shared role for providing recreation services directly and through partner service providers, Administration is meeting with organizations that have expressed an interest in assisting with service continuity or some form of related use on the sites. Expressions and clarifications of interest have been tracked as part of the Summary of Engagement in Attachment 4 and Correspondence from Community Stakeholders in Attachment 5. Discussions with these groups are ongoing.

The facilities themselves present challenges for continued service. These sites were previously assessed for development and expansion potential as part of the Recreation Facility Design and Enhancement Study (2016). While initial analysis revealed there is limited feasibility of business and service continuity through redevelopment, expansion or alternate service provision at these sites in a constrained funding environment without public financial support, further investigation is still required.

If a process such as an Expression of Interest (EOI) were pursued to identify an alternate partner service provider to run the facilities (one or both), it would require approximately 12 months to prepare, distribute and then to evaluate submissions. Funding would be required to administer and execute the EOI as well as to continue operations in the meantime. Criteria for selecting successful EOI application(s) could be established to align with the community of users, facility constraints identified under initial risks review and the request that there be no further draw on City financial resources.

2. Alternative uses for impacted sites

Through conversations with impacted stakeholders, Administration has identified that there may be interest in the facilities for either publicly accessible recreation or other uses. Alternate facility use proposals could be solicited through The City's standard real estate sales and/or leasing

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processes. As with an EOI for a partner operator, Administration would develop selection criteria for a lease proponent.

3. Service continuity options for impacted user groups

Administration is working with impacted user groups to understand their service needs. Alternate accommodation options have been found for two of five groups to date – one at a partner facility and one at City-facility through adjusting bookings and programming. While City-operated facilities do not have time blocks available to accommodate the remaining groups, Administration is working with partner operators to seek alternate options for the three remaining groups (Attachment 4 – Summary of Engagement).

Stakeholder Engagement, Research and Communication

Administration met with the three area Councillors to discuss the engagement strategy and to identify key stakeholders, who were engaged as soon as possible to understand impacts and business continuity requirements. Weekly updates were provided to the three area Councillors on stakeholder engagement and emerging conditions.

Administration has been communicating with identified and impacted stakeholders, partners and user groups of the two facilities on an ongoing basis. Attachment 4 includes a summary of engagement.

As the location and timing became public through media reports, Administration shared details with individual site users and facility staff members on 2019 August 12. Media statements were prepared and used to reflect stakeholder and staff communications.

Strategic Alignment

This report aligns with:

- Council direction on Immediate Tax Relief for Calgary Businesses (C2019-0782), directing Administration to find \$60M for the 2019 tax year through proposed reductions to include, but not be limited to, reductions and/or the elimination of programs, services and staffing positions.
- The Calgary Recreation ZBR (PFC2018-0647), which recommended shifting the emphasis from direct delivery, to a balance of both direct and indirect (partner) delivery.
- The Recreation Master Plan 2010 – 2020 (CPS2010-40), identifying that, “partnerships and collaborations are recognized as vital to the development of a broad and responsive recreation service continuum, to a Recreation for Life service approach, and to building complete communities.”

Social, Environmental, Economic (External)

Social

Publicly accessible recreation facilities are available in the catchment area providing opportunities to build connections, grow social support networks that help combat isolation and loneliness, encourage learning and provide an opportunity to maintain and develop social skills.

Environmental

The aging flatwater pools have a limited and declining participation which decreases service

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efficiency, resulting in high resource consumption per user compared to other service locations. Ceasing service or repurposing buildings for alternate service use would decrease energy consumption, greenhouse gas emissions and landfill waste associated with the provision of mill rate-funded recreation services.

Economic

Consolidating service delivery in the region would improve efficiency and effectiveness of mill rate-funded recreation service provision and shift customer demand to partner facilities. Focusing on the recreation sector across Calgary, rather than on City-operated direct delivery, leverages nearby partner-operated amenities to deliver an equitable level of service to the catchment area, while improving the operating environment for existing partners.

Financial Capacity

Current and Future Operating Budget:

There are no operating costs associated with this report.

Current and Future Capital Budget:

There are no capital costs associated with this report.

Risk Assessment

Risk: Viable partner(s), at no operating cost to The City, may not be found in the available timeframe. Mitigation: Pursue The City's standard real estate sales and/or leasing processes, extend exploration timeline, or cease operations at the end of 2019.

Risk: Several constraints may impact alternate service delivery or alternate service at the sites: union successor rights, building condition assessments, expansion constraints, required capital lifecycle investments and accessibility constraints (refer to Attachment 1 – Site Assessments). Mitigation: Continue to explore business and service continuity options for the two facilities.

REASON(S) FOR RECOMMENDATION(S):

Completion of the exploration of business and service continuity options for the two flatwater pool facilities is required prior to Administration reporting back to Council.

ATTACHMENT(S)

1. Attachment 1 – Site Assessments
2. Attachment 2 – Flatwater Pool Facility Statistics
3. Attachment 3 – Guiding Principles for the Permanent Operating Reductions
4. Attachment 4 – Summary of Engagement
5. Attachment 5 – Correspondence from Community Stakeholders
6. **Attachment 6 – Public Submissions**