

Calgary



Calgary Recreation ZBR Implementation Update

2019 October 8

2019 Update Report



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Introduction

Calgary Recreation ZBR

The Calgary Recreation Zero Based Review analysis was presented to the Priorities and Finance Committee (PFC) on 2018 June 5.

The ZBR was broken into three focus areas and eight commitments.

Focus Area 1 (Lay a Strategic Foundation) focuses on the development of a Strategic Plan to fulfill Calgary Recreation's future purpose and mandate. Strategic Alignment – A Well-Run City

Focus Area 2 (Translate Purpose into Action) includes three commitments: Align the Recreation operating model to purpose, Define the product and service offering to maximize results, and Adopt a strategic approach to pricing. Strategic Alignment – A Well-Run City/A Healthy and Green City

Focus Area 3 (Optimize direct delivery) includes four commitments: Modernize admission charges, Realign operating hours with actual customer usage, Enhance leadership and management of complexes and regions, and Fine-tune regional and complex staffing structure. Strategic Alignment – A Well-Run City

In 2018 June, PFC approved the updated direction for Calgary Recreation (Calgary Recreation Strategic Direction), as outlined in the mandate, where we play, and where we lead sections of PFC2018-0647.

Mandate – Shape Calgary's recreation landscape, create vibrant communities, and inspire people to be active and creative by leading and investing in Calgary's recreation sector.

Where we play – Priority customer segments (families with children, youth, underserved

Calgarians); Primary service focus (introductory and entry level skill development)

Where we lead – Understand the recreation needs and wants of Calgarians; Understand the spectrum of arts, culture, recreation and sport opportunities within the city and who provides them; Identify gaps in service provision; Continually evaluate how to bridge the gap between what is being provided, what is accessible, and what is needed; Be accountable and responsible for how The City invests in the recreation section to achieve desired outcomes; Enable others to achieve our common outcomes; Facilitate connections between providers and promote the efforts of other providers delivering common outcomes; Utilize alternate service delivery methodologies to achieve specific outcomes.

This report highlights for Council key changes currently underway at Calgary Recreation that will contribute to continual efficiency and effectiveness.

ZBR Implementation Plan Summary

Calgary Recreation has determined that the Council-approved recommendations in our ZBR report will result in a minimum revenue generation of \$1.8 million over four years and cost savings between \$131,000 and \$374,000 annually. Further, implementation of the commitments will lead to increases in customer satisfaction, sustainability of Recreation opportunities, and continuous improvement. Calgary Recreation's ZBR Implementation Plan follows the same format as when it was initially presented to PFC in 2018 June. This report provides details on how the business unit will implement each of the commitments and includes a look at benefits for each of the commitments, from a public perspective.

Focus Area 1 – Lay a Strategic Foundation

The work in Focus Area 1 addresses: Why Calgary Recreation is vital to the quality of life in Calgary and how to better align Calgary Recreation resources and investments to those areas identified as priorities in its strategic plan.

Commitment 1. Translate strategy into a clear plan of action

UNDERWAY

- 1.1 *Gain Council endorsement for Calgary Recreation's future purpose and mandate*
- 1.2 *Develop a simple, clear Strategic Plan to fulfill that purpose, including an Implementation roadmap that defines how the Strategic Plan will be delivered.*
- 1.3 *Use the roadmap to define a four-year plan that will progress the chosen strategies.*

Council endorsed Calgary Recreation's purpose and mandate in 2018 June when PFC and, subsequently City Council, approved the Calgary Recreation Strategic Foundation. That foundation led to work throughout 2018 and early 2019 on Calgary Recreation's ZBR Implementation Plan, which is laid out in this report. The ZBR Implementation Plan contains details for each of the commitments in the ZBR. In addition, timelines and performance measures have been or are being developed for the commitments.

Commitment 1 Benefit

The key benefit, as identified in the Recreation ZBR, from the work in Commitment 1 is a foundation that will enhance individual, family and community wellbeing.

Is anyone better off – Calgary Recreation will show progress through the chart below. Note that content will be updated as Calgary Recreation collects data.

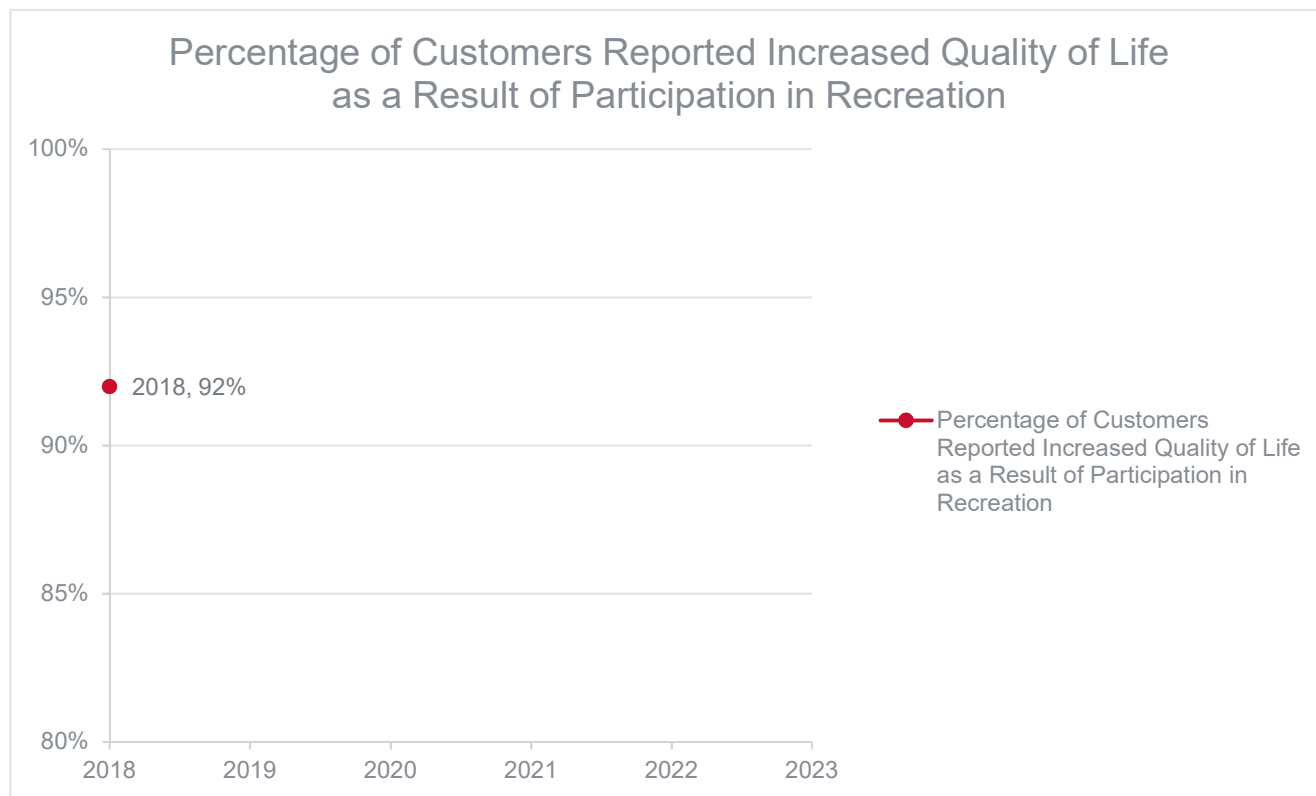


Figure 1 – Customer Experience Survey (2018)

Focus Area 2 – Translate Purpose into Action

With Calgary Recreation's purpose/mandate confirmed, the next step is to turn that purpose into achievable strategies and goals. These opportunities build on the strategic foundation developed in Focus Area 1 and drive the business unit to a more sustainable operating model.

Commitment 2. Align the Recreation operating model to purpose

UNDERWAY

2.1 Design a new operating model for the Business Unit that moves Calgary Recreation beyond its role in directly delivering programs and services within city-owned facilities, to steward the entire spectrum of recreation in the city



Figure 2 - YMCA at Seton

The ZBR program exists to increase the value Calgarians receive from their tax dollars by improving the efficiency, effectiveness, and sustainability of services.

There are noted opportunity gaps between Calgary Recreation's strategic intentions and its current operating model. With Council approval of Calgary Recreation's purpose and mandate in 2018 June, the operating model can now be redesigned to support the future direction. A new operating model will take several years to implement but is essential to ensure recreation services for citizens are sustainable well into the future.

Key deliverables – New operating model	Timeline (Design phase)
A highly integrated operating model that supports Calgary Recreation's strategic direction	Q3 2020-Q4 2022
Communications Plan (training for staff)	Q4 2020
Implementation Plan	Q4 2022

2.2 Review overall business unit management and governance structures to ensure alignment with the new operating model for a balanced focus across the whole service delivery continuum (direct and indirect)

The purpose of this initiative is to establish a leadership model to effectively and efficiently lead and invest in Calgary's recreation sector.

Key deliverables – Review management and governance structures	Timeline
Leadership model recommendations	Q1 2023
Execution Plan	Q1 2023

Commitment 2 Benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitment 2 are:

- Increase the probability of implementing Calgary Recreation's strategy by assigning clear responsibility for each of the elements in the operating model
- Support improved service outcomes by creating structures and resources necessary to manage across the whole service delivery continuum
- Ensure focus and the best use of resources

How well – Calgary Recreation will show progress through the chart below.

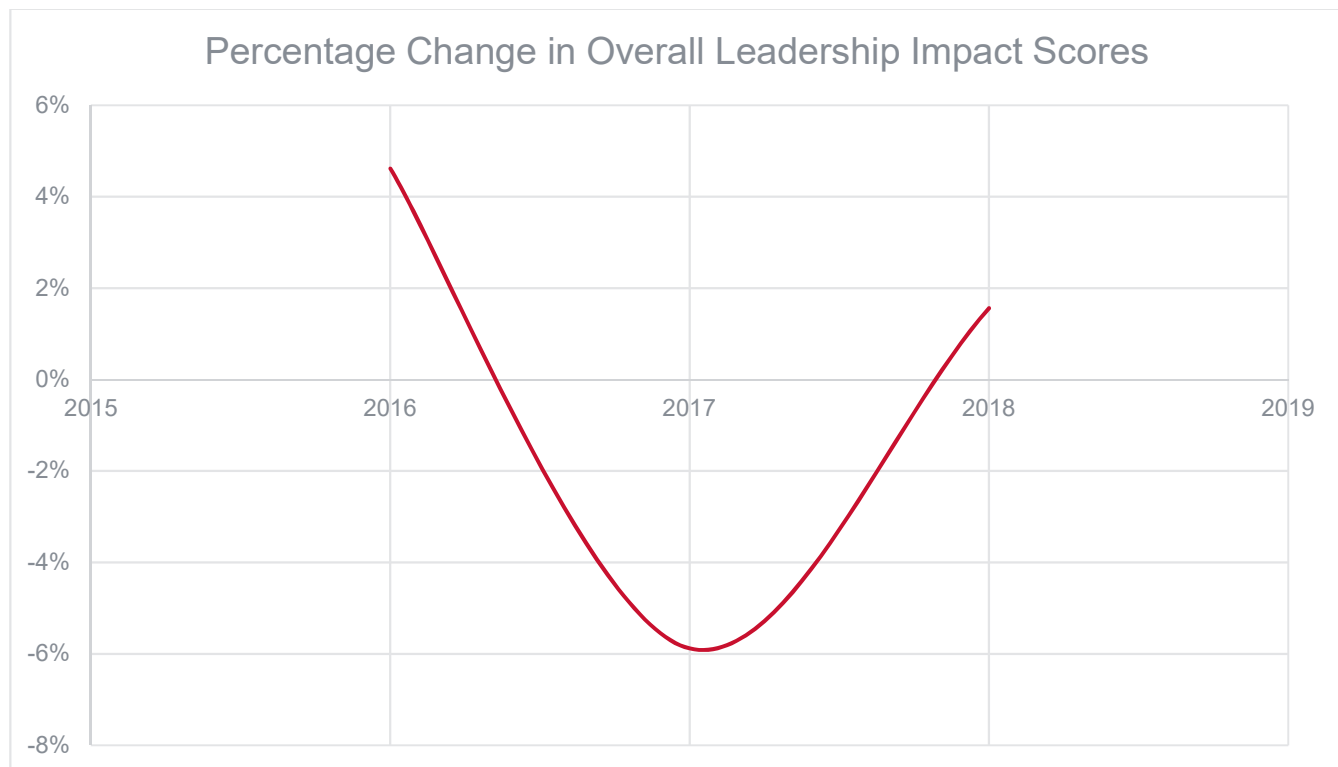


Figure 2 – Corporate Employee Satisfaction Survey (2015-present)

Commitment 3. Define the product and service offering to maximize results:

UNDERWAY

3.1 Shift the focus of the Recreation Management Team from operational management of directly delivered services to strategic leadership of the entire service delivery continuum

Calgary Recreation's ZBR identified the challenge of business unit managers to focus and balance the needs of running day-to-day operations with planning for the long term and making the operational changes which will enable change. There is opportunity to enhance strategic leadership and effective management through improved decision making and accountability and shifting to manage from purpose rather than to operate from function.

Evolving the Recreation Management Team to a Recreation Leadership Team will contribute to taking advantage of this opportunity.

Key deliverables – Shift focus of RMT from operational management to strategic leadership	Timeline
Understand phase <ul style="list-style-type: none"> • Communication strategy • Change Leadership Plan 	Q4 2019
Design phase <ul style="list-style-type: none"> • Behaviour changes, processes, interactions • Working together, decision-making clarity • Strategic thinking vs tactical 	Q4 2019
Deliver phase <ul style="list-style-type: none"> • RLT evolution implementation • Refinement throughout 	Q4 2020-Q4 2022
Evaluate phase <ul style="list-style-type: none"> • Project wrap up 	Q4 2022

3.2 Define the desired service offering menu for the entire service delivery continuum to maximize results

3.3 Develop and implement performance measures to assess the improved effectiveness of the revised product and service mix and to ensure it is achieving its intended results. Use these measures to fine-tune the mix

The work in 3.2 and 3.3 intends to acquire an understanding of current service offerings in the service delivery continuum and identify any gaps in those service offerings. The project team will bridge gaps as needed by aligning service offerings and levels with customer and community needs to improve our outcomes. Finally, this work intends to improve collaboration between Calgary Recreation and its partners by providing services that are built on shared purpose and in support of quality of results for Calgarians.

Key deliverables – Define desired service offering menu and develop and implement performance measures	Timeline
Understand Phase 1 <ul style="list-style-type: none"> Identify product and service gaps in the service delivery continuum Identify gaps in performance metrics and reporting methods in the service delivery continuum 	Q4 2020
Design Phase 2 <ul style="list-style-type: none"> Develop and enhance product and service strategy Develop metrics to evaluate product mix, demonstrate accountability, and quantify benefits 	Q4 2021
Design Phase 3 <ul style="list-style-type: none"> Develop and implementation roadmap for 2023-26 business cycle 	Q4 2022

3.4 Develop a business case for increasing drop-in programs for Children (Active Kids Club).

3.5 Develop a business case for increasing families recreating together (Play Together, Play Side by Side)

Work in 3.4 and 3.5 deals with a change in citizens' expectations driven by demographic and economic trends. One example is participation in physical and leisure activities is shifting. Not only are the physical activity levels of children and youth (ages 5-17) well below recommended levels, but children and youth are trending away from organized sports, and shifting in large numbers towards smaller, simpler sports that do not require organization of large numbers of participants. According to the 2018 ParticipACTION Report Card on Physical Activity for Children & Youth, only a third of children and youth in Canada meet the physical activity recommendation within the Canadian 24-hour Movement Guidelines for Children and Youth.

Key deliverables – Develop business cases for increasing drop-in programs, families recreating together	Timeline
Understand phase <ul style="list-style-type: none"> Identify leading practices in the sector Current state report 	Q1 2020
Design phase <ul style="list-style-type: none"> Identify future state and opportunities Recommend options 	Q2 2020
Deliver phase <ul style="list-style-type: none"> Prototype, pilot Determine performance measures Develop evaluation Final report including recommendations 	Q1 2020
Deliver phase <ul style="list-style-type: none"> Develop business case that includes funding requirements and implementation plan 	Q2 2021
Evaluate phase <ul style="list-style-type: none"> Project close out 	Q2 2021

Commitment 3 Benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitment 3 are:

- Broaden the branding of Calgary Recreation
- Improved collaboration with partners built on a shared purpose
- A focus on priority customers
- Increased number of children and increased hours of children recreating due to products and services Calgary Recreation provides or services provided by others

How well – Calgary Recreation will show progress through the chart below.

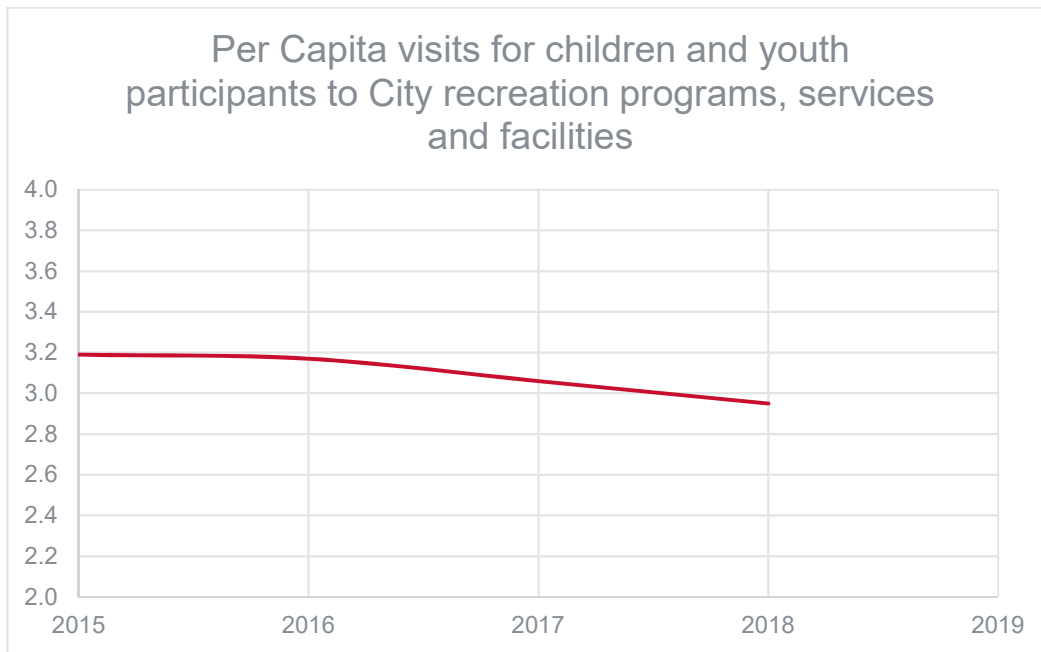


Figure 3 – 1 YYC Performance Measures: RO-PM01

Commitment 4. Adopt a strategic approach to pricing:

UNDERWAY

- 4.1 Secure Council approval for a new pricing approach, including reconsidering the principles used in Council Direction CPS2007-47 and focusing instead on using the Cost Recovery Framework.
- 4.2 Ratify the Cost Recovery Framework and apply classification of various programs and services at each level within Calgary Recreation, ensuring alignment with the overall strategic plan.
- 4.3 Establish the full costs of each product and service to provide the information that is the basis for establishing costs and tax support rates for all products and services.
- 4.4 Develop financial modeling to apply the Cost Recovery Framework to the full cost figures to generate actual proposed prices and tax support rates for all products and services.
- 4.5 Implement, with a phased approach, the pricing changes (as an integrated part of the overall implementation roadmap).

The purpose of this work is to design and implement a revised revenue and pricing strategy that guides Calgary Recreation in aligning the price of their products and services with its strategic intent. Calgary Recreation's prices are guided by principles in two documents: the Corporate User Fee and Subsidies Policy (UFSP; C2011-77) and Council's direction on Recreation Pass and Admission Pricing (CPS2007-47).

There is an opportunity to develop a revised pricing and revenue strategy that will better align prices and tax support to areas that are Calgary Recreation priorities.

At the completion of this work, Calgary Recreation will have a revised strategy, methodology, and new tool for recommending program and service prices. The tool will use current data within a consistent methodology to guide Calgary Recreation in setting prices that are closely aligned with its strategic intent.

Key deliverables – Adopt a strategic approach to pricing	Timeline
Cost Recovery Framework defined	Q1 2020
Calculate full-cost allocations	Q4 2020
Build financial tool and calculate schedule of proposed prices	Q2 2021
Implementation roadmap	Q3 2021
Define performance measures	Q3 2021
Project close-out	Q4 2021
Approval to implement changes	Q4 2021
Implement changes	Q1 2022

Commitment 4 benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitment 4 are:

- Ensure mill rate dollars are directed to the services contributing the most to the community
- Adjust pricing to help attract priority customer segments
- Ensure full alignment of Calgary Recreation's pricing strategy with the corporate User Fee and Subsidy Policy at the facility, program, and customer segment level
- Create a transparent rationale behind fees.

How well – Calgary Recreation will show progress through the chart below.

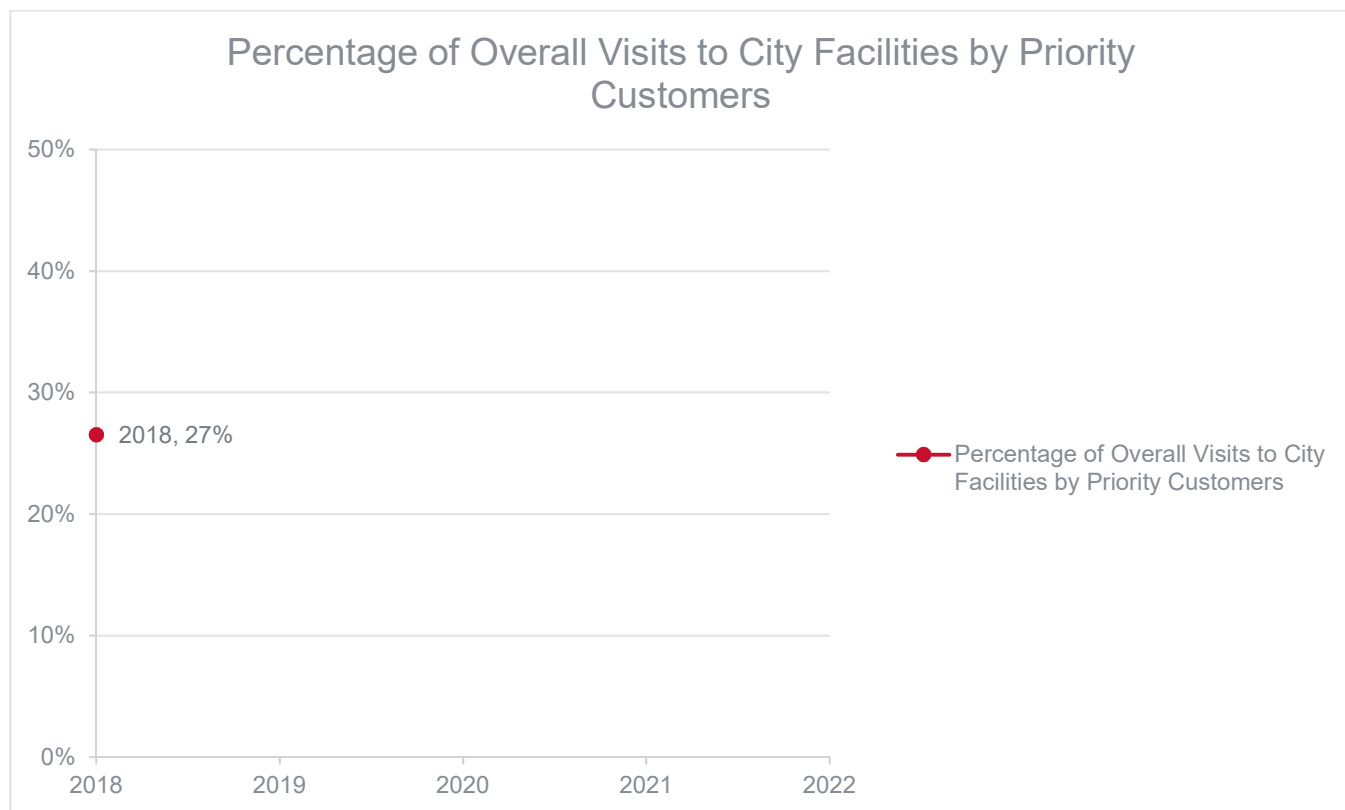


Figure 4 – Priority Customers Attendance (2018-Present)

Focus Area 3 – Optimize Direct Delivery

The commitments in response to this focus area will fine-tune operating hours to match demand, refine staffing, and better align Calgary Recreation's user fee structure to ensure tax support is applied to those areas benefitting the community as a whole.



Commitment 5. Modernize admission charges:

UNDERWAY

- 5.1 Withdraw the current term passes and replace them with a membership model that includes monthly billing and auto-renewal, starting at 1/12 of the current annual price.*
- 5.2 Withdraw the 30x punch card and gradually phase out 10x cards other than for visitors.*
- 5.3 Charge the same prices for membership at Tier 1 and 2 Aquatics & Fitness Centres (AFCs) and enable members to use any centre.*
- 5.4 Reduce the price of a children's membership to initially \$20 per month for open access to any City of Calgary AFC and Leisure Centre, to be finalized during implementation.*
- 5.5 Increase prices for seniors (ages 65+) to a target of 75 per cent of the adult price, to be finalized during implementation.*
- 5.6 Create new membership categories for youth/young adult (ages 15-24) and single or multi-parent families (including access for children under 14 and youth discounts 15-18).*

5.7 Change the child age ranges from 7-12 years with a separate pre-school rate for children 2-6, to a single rate for children 2-14 (TBD)

The purpose of this work is to make adjustments to Calgary Recreation's Pass Model and modernize its admissions charges. In doing so, Calgary Recreation hopes to increase customer visits and promote better citizen health and wellbeing.

To achieve this, Calgary Recreation will implement the actions in two phases. Phase 1 (Understand & Design) was made up of an analysis of flat rates, development of a revised pricing schedule, customer impact analysis, documentation of software and business requirements and benchmarks/targets. Phase 1 is complete.

Phase 2 (Deliver & Evaluate) is shown in the table below.

Key deliverables – Modernize admission charges	Timeline
Engagement of fee schedule	Q3 2019
New pass model is aligned with existing business software	Q3 2019
Pass model rules and implementation definitions documented	Q4 2019
Document benchmarks and targets	Q4 2019
Training and communication	Q4 2019
Project close-out	Q2 2020
Monitoring and evaluation	Q2 2020-Q1 2024 (ongoing)

Commitment 5 Benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitment 5 are:

- Increase visits by approximately 843,000, representing an increase of 36% in attendance at Leisure Centres and Aquatics and Fitness facilities
- Support increased numbers of citizens accessing services
- Support an increased number of visits by each individual
- Contribute to a sense of belonging and community
- Promote community and individual health and wellbeing
- Generate a projected cumulative revenue increase of \$1.8 million after four years

How well – Calgary Recreation will show progress through the chart below.

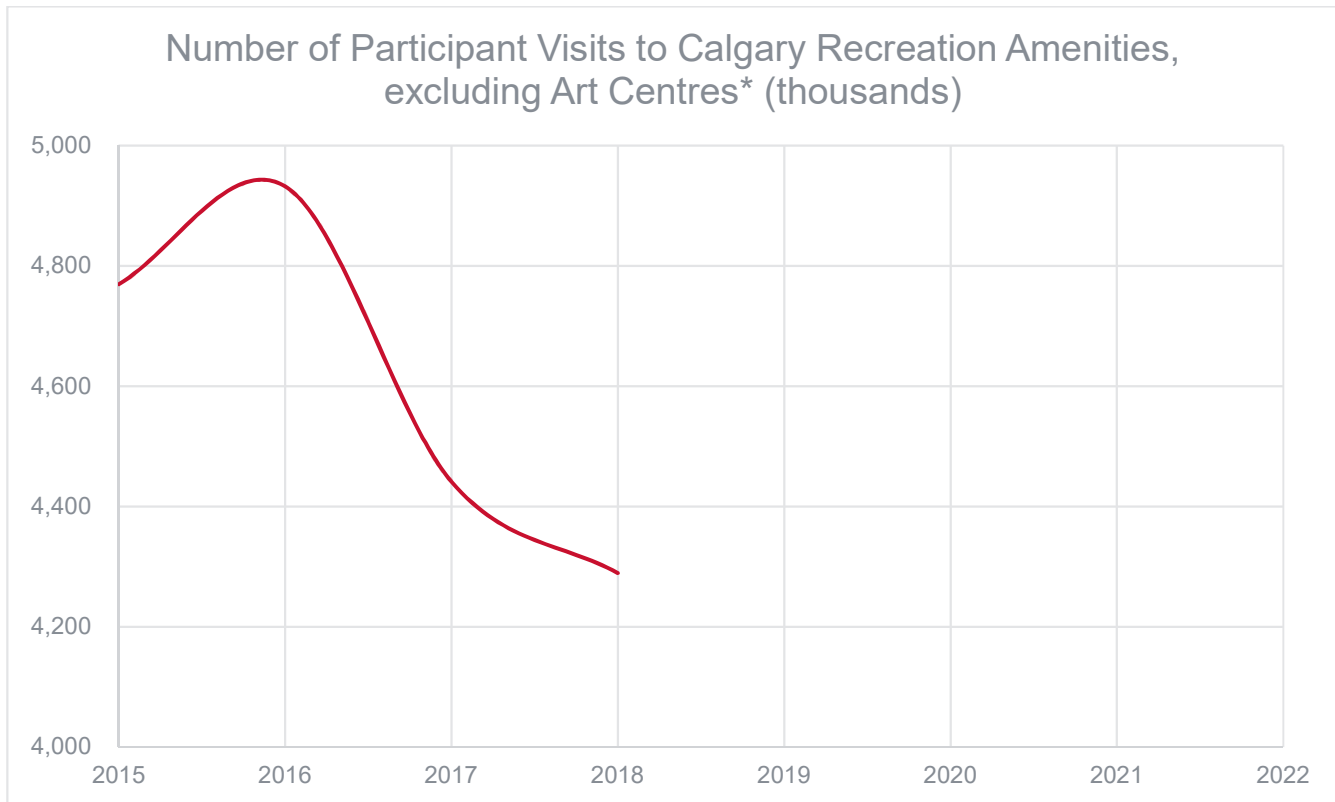


Figure 5 – 1 YYC Performance Measures: RO-PM06. *2015-2017 includes Art Centres

Commitment 6. Realign operating hours with actual customer usage:

UNDERWAY

6.1 Reduce arena operating hours Monday to Friday by opening later or, in a few cases, closing earlier, on an arena by arena basis.

- a. Consider staffing arrangement, including alternative plans to maintain and operate both the arenas and athletic parks.
- b. Move maintenance hours scheduled for the beginning or end-of-day to mid-day time slots to accommodate later opening times or earlier closing times.
- c. Shift any morning bookings into those arenas which do still open early.
- d. Move some Calgary Recreation programming activities (morning Public Skating or Shinny) to later time slots or alternative near-by arenas.

6.2 Following the combining of Aquatic and Fitness Centres Tiers 1 and 2 into a single tier, review attendance figures to identify any similar opportunities to reduce operating hours at AFCs and other facilities.

The purpose of this initiative is to create efficiencies within facility operations arenas and athletic parks related to staffing, scheduling, rentals and usage, and maintenance. It is also intended to staff appropriately according to facility usage, reduce arena operations staff scheduled hours based on facility rentals, review maintenance and explore expenses and revenues associated with each arena and athletic park.

Key deliverables – Reduce operating hours	Timeline
Booking, Open and Staffing hours by facility (pull, review and consolidate for 3-5 year period)	Q2 2019
Arenas staff scheduling model recommendations	Q2 2019
Monitor athletic park rentals	Q3 2019
Arenas staff scheduling model implementation	Q3 2019

Commitment 6 Benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitment 6 are:

- Minimum savings of \$131,187 per year and maximum savings of \$373,997 per year by being more efficient with the staff scheduling

Commitment 7. Enhance leadership and management of complexes and regions:

UNDERWAY

7.1 Redefine role, qualification and hiring practices for Complex Coordinators, considering: mechanism to recognize greater levels of responsibility; JEQs to reflect greater managing roles; prioritize overall management skills; open up the talent pool.

7.2 Ensure all Superintendents and Coordinators have, or acquire, key management skills including performance planning, performance coaching, and performance reviews.

7.3 Enable Foremans and Attendants to support the performance management process by being involved in performance planning and coaching.

7.4 Empower staff (primarily MEs) through a wider delegation of authority to ensure that appropriate decisions are made at the appropriate level.

7.5 Ensure clear accountability and decision-making authority are assigned for key service elements: direct delivery, complexes, products and services, and facility operations.

Commitment 8. Fine-tune regional and complex staffing structure:

UNDERWAY

- 8.1 Review the current staffing structure in direct delivery to ensure consistent standards across the whole of direct delivery and that clear accountability and decision-making authority are assigned for: developing and implementing strategies and providing operational oversight.
- 8.2 Review how special projects are resourced to reduce their impact on operations.
- 8.3 Increase the support for staff by the Staffing Coordinator positions by aligning processes and resources.
- 8.4 Review the distribution of the Recreation Specialists to better support all facilities and community-based programming.
- 8.5 Review the staffing structure in direct delivery to better embed and leverage business intelligence in operations.

Commitments 7 and 8 have been combined into one portfolio, called Workforce and Culture. The purpose of Commitments 7 and 8 is to develop a plan to support learning and development opportunities to enhance staff capabilities and build leadership and management skills for Superintendents and Complex Coordinators.

The project will help support improved decision-making and empowerment of leadership. In addition, the project will refine the role, qualifications and hiring practices for Complex Coordinators and provide a review of the regional direct delivery staffing model to ensure staff are aware of common goals and objectives.

Key deliverables – Workforce and Culture	Timeline
<p>Understand phase</p> <p>Review of Workforce and Culture initiatives identified in Commitments 7 and 8</p> <ul style="list-style-type: none"> Assemble project teams Document current state Identify issues/gaps/opportunities 	Q2 2019
<p>Design phase</p> <ul style="list-style-type: none"> Define future state Develop implementation plan Develop change management, communication and training plan Document process change, if needed 	Q2 2019-Q1 2020
<p>Deliver phase</p> <ul style="list-style-type: none"> Execute deliverables identified in the implementation plan 	Q1 2020-Q4 2022
<p>Evaluate phase</p> <ul style="list-style-type: none"> Evaluate and make adjustments as required to components within the implementation plan 	Q3 2019-Q4 2022

- Ensure actions support building capacity and clarity of leadership job expectations
- Project wrap-up

Benefits

Key benefits, as identified in the Recreation ZBR, from the work in Commitments 7 and 8 are:

- Improved outcomes through supporting local decision-making
- Improved internal ability to deliver continuous service improvements through empowering supervisors to continuously improve services within their span of control
- Enabling regional and complex management to focus on business and people management by providing an enhanced support structure that better manages operations and special projects
- Supporting improved service outcomes by creating the structures necessary to define and enforce consistent, intentional standards, policies and procedures across the whole of Direct Delivery
- Increased productivity, as greater standardization in delivery approach facilitates staff movement between different facilities and regions.

How well – Calgary Recreation will show progress through the chart below.

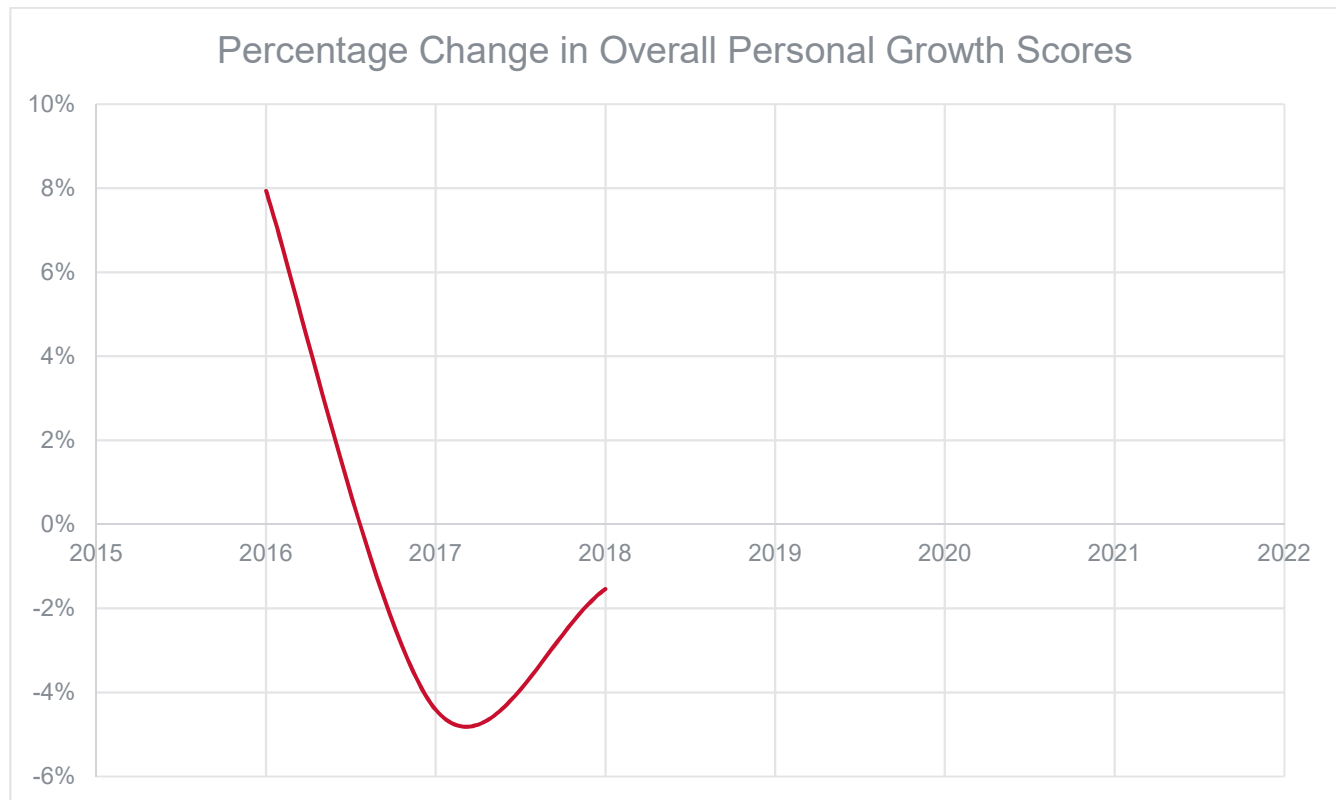


Figure 6 – Corporate Employee Survey (2015 – present)

Summary

Getting the foundation right is at the heart of Calgary Recreation's Zero Based Review. Success means strategic alignment, focusing resources on the most effective activities and, finally, ensuring recreation opportunities are sustainable for the benefit of all Calgarians.

The 2018 June ZBR Report to PFC laid out the three focus areas, eight commitments and specific actions that Calgary Recreation needs to focus on. The Implementation Report (2019 October) shows how Calgary Recreation has progressed and will continue to do so with each of the actions. Through regular Corporate Initiatives ZBR reports, Calgary Recreation will ensure PFC and Council are kept up to date on this progress.