

**Community Services Report to
Priorities and Finance Committee
2019 November 05**

**ISC: UNRESTRICTED
PFC2019-1330**

Flatwater Pool Business and Service Continuity Update

EXECUTIVE SUMMARY

Administration has consulted relevant stakeholders to explore business and service continuity options for two flatwater pools identified for potential closure to address 2019 budget constraints. Inputs have included public presentations and submissions, correspondence with elected officials and staff, several meetings with key stakeholders, and brainstorming sessions with community organizations and other nearby recreation service providers. Financial records and building condition assessments were also reviewed.

The key findings identified through the research and consultations are:

- Continuing aquatics service at these facilities would require additional tax-supported operating and capital funding regardless of the operator.
- The community and social benefits derived from these facilities are highly valued by community members and stakeholders.
- Changing use patterns are impacting other recreation operators in the area as well as the two pools that are the focus of the current work.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council direct Administration to:

1. Stop service at the Beltline Aquatic and Fitness Centre and the Inglewood Aquatic Centre at the end of 2019 in support of 2019 Budget Reductions (C2019-0901);
2. Focus on planning activities to identify and work towards long-term, sustainable service alternatives to create a desired future state that maximizes community and social benefits in the area from targeted City investments.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 September 11, Council approved CPS2019-1055, directing Administration to continue to explore business and service continuity options for two flatwater pool facilities and report back to Council no later than 2019 November 30.

On 2019 July 23, Council approved C2019-0901 removing \$60 million from the operating budget for the current tax year. Council also approved Motions Arising related to that report including:

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

On 2019 June 10, Council approved C2019-0782, directing Administration to identify permanent budget reductions of \$60 million for the 2019 tax year. Council identified thirteen guiding

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principles for Administration to consider in identifying proposed reductions, which included possible reductions to and/or elimination of programs, services and staffing positions.

BACKGROUND

On 2019 July 23, Council received Administration's proposed budget reductions which included stopping direct delivery of services at two flatwater pool facilities, the Beltline and Inglewood aquatic centres. Several factors led to identifying these specific facilities: elevated tax-support requirements for operating and capital compared to other facilities; outdated facility configurations resulting in limited utilization; and considerations aligned with the Calgary Recreation Zero Based Review (ZBR) (PFC2019-0647) including the availability of alternate publicly accessible aquatic services nearby.

With the direction to continue operations ("interim servicing") at the facilities through 2019, Administration has actively investigated several business and service continuity options. Consultations with relevant stakeholders included members of the public at the 2019 September 11 meeting of the SPC on Community and Protective Services (CPS) stakeholders, subject matter experts, elected officials and staff, community organizations and other nearby recreation service providers.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The central question faced by Administration was: Are there ways to continue to provide aquatic services at Beltline and Inglewood *and* to deliver the required budget reduction?

In answering this question, Administration used the following success criteria:

- Achievable within reduced base operating budget as approved in C2019-0901
- Comparable to city-wide service levels
- Sustainable as a long-term solution
- Responsive to community-articulated concerns

What We Did

Adding to public presentations at the 2019 September meeting of the CPS, submissions to Council, several meetings, and conversations with area councillors, Administration reached out to user groups of the facilities, community organizations and other recreation operators in the catchment area and hosted two brainstorming sessions. The sessions helped to better understand the community needs being met by these facilities and provided ideas for further analysis.

What We Learned

The prospect of stopping service at these facilities will have impacts to users and the local community. Administration acknowledges this and recognizes the facilities' importance to those affected.

Several options for consideration were assembled from inputs received, focused on ongoing aquatics operations: A) increase user base and generate more revenue B) decrease hours to reduce costs C) shift to partner operation; and, D) support need for community and social benefits and investigate repurposing of facilities / sites.

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Administration assessed these options against the success criteria above, considering what it would take to implement each concept and its operating and capital budget requirements.

Attachment 1 provides a summary of options analyzed. Ideas generated through the community brainstorming session are included in the Flatwater Pool Brainstorm Report Back, Attachment 2.

What We Found

Analysis of business and service continuity options revealed aquatics services at these facilities cannot be supported within the current reduced base operating budget, regardless of the operator. Any combination of options to increase revenue and decrease costs at these facilities would still require an operating budget increase ranging from \$400,000 and \$800,000 (see Attachment 1).

While hearing ideas focussed on keeping aquatic services available at these sites, many of the service benefits identified by the community were not necessarily derived from the pools themselves, but from opportunities for community gathering and building connections. These benefits are not exclusive to recreation activities, and The City has invested in other amenities, activities and initiatives to address these needs as outlined in Attachment 3.

Applying the Investigation Criteria

The recommendations for this report were identified by applying the success criteria to the business and service continuity options generated from the stakeholder consultations. The criteria balanced current operating and capital budget constraints with long-term solution(s) addressing community needs into the future.

Criterion	Conclusion
Achievable within reduced base operating budget	<ul style="list-style-type: none">Whether operated by The City or a partner, continuation of aquatic services at Beltline and Inglewood would require additional tax-supported operating and capital funding.
Comparable to city-wide service levels	<p><u>Aquatics services:</u></p> <ul style="list-style-type: none">Aquatic service at levels comparable to those city-wide is available through other publicly accessible recreation facilities in the area. <p><u>Other community amenities and services:</u></p> <ul style="list-style-type: none">Other amenities and initiatives are available in the area providing community benefit.Exploring broader community needs and preferences would enhance ability to efficiently match area services to needs.
Sustainable as a long-term solution	<ul style="list-style-type: none">Existing Beltline and Inglewood facilities will continue to present operating and capital budget challenges without redevelopment or repurposing.Analyzing community needs and densification patterns would inform options into the future that could include repurposing these facilities, investing in other programs or facilities, and exploring other service options.

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Responsive to community-articulated concerns	<ul style="list-style-type: none">• Administration seeks to understand the needs and preferences of the community, including those community members not served by the existing amenities or facilities.• A collaborative approach could efficiently match services to the entire community's needs.
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Stakeholder Engagement, Research and Communication

In addition to public submissions and stakeholder meetings, brainstorming sessions occurred with individuals representing user groups and catchment community organizations, and with representatives from Repsol Sport Centre and the Calgary YMCA. The results from these sessions informed the investigation options.

Administration continues to work with impacted user groups to identify service alternatives should Council endorse the recommendations of this report.

Administration also continues to discuss progress with area Councillors.

Strategic Alignment

This report and its recommendations align with:

- The Calgary Recreation ZBR (PFC2018-0647), recommending shifting the emphasis from direct delivery to a balance of both direct and indirect 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”.
- The Facility Development and Enhancement Study (2016), Inglewood/Beltline Catchment Recommendation: Closure of existing facilities and replacement with Optimized recreation facility by 2039, subject to reaching population densities.
- Corporate Plans and Area Redevelopment Plans (ARP): Beltline ARP (2019), the Historic East Calgary ARP (Update by Q2 2020) and the Centre City Plan (2007): all provide visions to guide growth and development with the intent of delivering community vibrancy, including valued community and social benefits. Common to these plans is the creation of vibrant and resilient cultures, distinct places that provide unique experiences, gathering places and destination spaces (i.e. centres for arts, culture, recreation, tourism and entertainment). The recommendation to assess and modify service offerings aligns with plans seeking to create environments that welcome a diversity of people to live, work and visit, through tailored service offerings accommodating a diversity of community and citizen needs.
- The Social Wellbeing Policy (CP2019-01) follows four Social Wellbeing Principles (Equity, Truth and Reconciliation, Culture, and Prevention) when making decisions; developing plans, policies and strategies; and delivery City services. The recommendation to tailor service offerings aligns with the policy on how The City can

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reduce barriers and continually improve delivery of services to all Calgarians, considering aspects of diversity.

Social, Environmental, Economic (External)

Social

While there are publicly accessible recreation facilities and other community amenities for this catchment area, community members have conveyed the specific importance of these facilities to them. The City will continue to collaborate and explore opportunities to address gaps identified by users.

Seeking to understand the needs and preferences of the community, including community members not served by the existing facilities will enhance the ability to efficiently match area services to greater community needs.

Environmental

The aging flatwater pools limited and declining utilization decreases operational efficiency. This results in high resource consumption per user, compared to other service locations. Stopping service or repurposing buildings to effectively deliver different services would decrease energy consumption, greenhouse gas emissions and landfill waste.

Economic

Stopping service at these two facilities will shift the limited user demand to partner facilities, supporting the financial sustainability of these partners while continuing to deliver an equitable level of service across the city; and at the same time, improve the efficiency and effectiveness of tax dollar use.

Operating Beltline and Inglewood as aquatics facilities would continue to present operating and capital budget challenges without redevelopment or repurposing to meet the needs of the communities into the future.

Financial Capacity

Current and Future Operating Budget:

The approved operating budget for Recreation Opportunities is insufficient to continue aquatics services at these facilities. If Council chooses to pursue a direction that sees the aquatics services at these facilities continue, the estimated operating budget impact is identified in Attachment 1, ranging from \$400,000 - \$800,000.

Current and Future Capital Budget:

There is no capital budget dedicated to renewing or repurposing these facilities. Continuing aquatics services at these facilities would require a potential capital investment of \$5.2 million over the next five years, based on current lifecycle plans. Estimated costs to redevelop or repurpose the facilities are identified in Attachment 1 and are highly dependent on the scope of work, ranging from \$1.1 million - \$100 million.

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Risk Assessment

There is some concern that the locations of alternate service providers are too far away from the two flatwater pool sites. However, the partner-operated amenities within the catchment area provide access and service levels comparable to other areas of the city.

There is also perception that existing users will not be able to afford access to local partner-operated facilities. However, each operating partner provides a subsidised access program based on need, which honours The City's Fair Entry program for eligibility to its subsidy.

Unoccupied buildings present some safety concern. A portion of the Recreation Opportunities operating budget will cover basic carrying costs for utilities, site safety and security.

REASON(S) FOR RECOMMENDATION(S):

After analyzing business and service continuity options for Beltline and Inglewood facilities, Administration determined that continuing aquatics services cannot be done within base operating budget. Whether operated by The City or a partner, additional tax-supported operating and capital funding would be required. The success of any changes to the operating model would be severely limited by operating and capital budget challenges, without redevelopment or repurposing of the existing facilities.

The impact on individual users and groups is acknowledged, and Administration will continue to work to accommodate those impacted. By working with the communities, long-term, sustainable service alternatives can create a desired future state that maximizes community and social benefits from targeted City investments.

ATTACHMENT(S)

1. Summary: Options for Beltline and Inglewood Facilities
2. Flatwater Pool Brainstorm Summary
3. Inventory of City Amenities and Supported Programs in Catchment Area
4. Update on Ability to Accommodate User Groups