

BRIEFING

Community Services Briefing to

SPC on Community and Protective Services
2020 March 11

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Beltline and Inglewood Pools – Operating and capital targets and update on program of work

PURPOSE OF BRIEFING

In accordance with Council direction, this briefing identifies long-term operating targets and capital measures, consistent with comparable facilities, that Calgary Recreation will use to measure the financial sustainability of Beltline Aquatic & Fitness Centre and Inglewood Aquatic Centre. Administration will provide quarterly reports on operational changes implemented in the facilities, and the resulting progress in relation to these targets, while completing the Beltline and Inglewood Pools program of work over the next two years.

SUPPORTING INFORMATION

Operating Targets and Capital Measures for Aquatics Facilities

Council identified the need for operating and capital targets to measure the financial sustainability of the two facilities. These targets will be used to evaluate the impact of operational changes Calgary Recreation will make as per Council direction.

Measure	Operating Target	Beltline 2019 Actual	Inglewood 2019 Actual	Change Required	
				Beltline	Inglewood
Operating tax support %	63%	71%	75%	-8%	-12%
Tax support per visit	\$10.50	\$15.75	\$11.75	-\$5.25*	-\$1.25*
Capital					
\$ required over next 5 years	Minimum credibility level	\$1.5M	\$3.65M	n/a	n/a

**Aggregated attendance at Inglewood is higher than Beltline resulting in a lower per visit tax support number.*

Three levers impact operating performance at recreational facilities: attendance, revenues and expenses. The sustainability of Beltline and Inglewood as aquatics facilities relies on increasing facility visits in combination with reducing the gap between revenue and expense to lower overall operational tax support. Tax support per visit and ratio of operating tax support capture the cumulative impact of adjustments to all three levers.

Beltline and Inglewood are currently outliers compared to other facilities of similar age and amenity mix in terms of performance range. Therefore, operating targets for Beltline and Inglewood pools have been set at the low end of the performance range for equivalent facilities, as shown in the table.

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Operating targets are based on Beltline and Inglewood pools continuing as aquatics and fitness facilities. As Administration works with the community to understand social and recreational needs, the need for additional or alternate services and amenities in the community may be identified and the role of these facilities in providing for those needs will be explored.

Further context on attendance at Beltline and Inglewood and the comparable facilities is included in Attachment 1.

Calgary Recreation uses two types of assessment for facility capital investment needs:

- 1) *Minimum credible level of service.* Based on Building Condition Assessments (BCA), this refers to the amount of investment required to maintain the current level of service through repair and replacement of existing systems or components that are at, or have surpassed, end of life. Recent BCAs indicate Beltline and Inglewood require capital investment of more than \$5 million over the next five years. (Beltline: \$1.5 million, Inglewood: \$3.65 million)
- 2) *Suitability for Purpose.* This measures suitability of a facility as a tool to deliver recreation services and includes configuration, amenity availability, conditions of use and life expectancy. In 2016, the Facility Development & Enhancement Study ranked Beltline and Inglewood as “Poor” for suitability or purpose and flagged the facilities for replacement.

In the current capital environment investment at any one facility where suitability for purpose is low represents a lost opportunity cost as it limits capital availability for investment at other facilities.

Beltline and Inglewood Pools Program of Work

In addition to identifying targets, Administration has established the Beltline and Inglewood Pools program of work, including:

- making operational changes to increase attendance and revenue while decreasing costs through programming, marketing, operating hours and pricing;
- engaging users and non-users to understand how the existing facilities could better meet the needs of community members;
- determining and addressing long-term social and recreational needs in the communities with or without these facilities; and
- determining the long-term future of the facilities, including potential partner operated opportunities through a request for proposal.

Attachment 2 outlines the alignment of the pieces of work, including a timeline for deliverables. Attachment 3 provides a workflow for this program of work, including Council decision points on community needs and the future of the facilities. This program goes beyond understanding Beltline and Inglewood as aquatics facilities and will look broadly at social and recreational needs in each of these unique communities. The role of these facilities in providing for those needs will be explored.

ATTACHMENT(S)

1. Beltline, Inglewood and Comparable Facilities Data
2. Council Timeline - Beltline & Inglewood Pools Program
3. Workflow - Beltline & Inglewood Pools Program
4. Previous Council Direction