

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9

Halifax Regional Council
January 29, 2019

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Denise Schofield, Director, Parks & Recreation

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: January 23, 2019

SUBJECT: 4 Year Increase to Parks and Recreation Budget

INFORMATION REPORT

ORIGIN

February 1, 2017 Committee of the Whole motion:

MOVED by Councillor Mason, seconded by Councillor Hendsbee
THAT staff provide a report analyzing the implications of an increase in the Parks and Recreation operating & capital budgets to 80% of municipal cost benchmarks by fiscal 2021/2022, increasing each of four years starting in fiscal 18/19, with funds to improve facility and field conditions, expand programming and grant funding for community events, arts, culture and heritage programming.

February 21, 2017 Halifax Regional Council motion:

MOVED by Councillor Mason, seconded by Councillor Mancini
THAT Halifax Regional Council direct staff to provide a report analyzing the implications of an increase in the Parks and Recreation operating & capital budgets to 80% of municipal cost benchmarks by fiscal 2021/2022, increasing each of four years starting in fiscal 18/19, with funds to improve facility and field conditions, expand programming and grant funding for community events, arts, culture and heritage programming.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, section 35 (1)

- 35(1) The Chief Administrative Officer shall
(b) ensure that an annual budget is prepared and submitted to the Council.

BACKGROUND

On February 1, 2017, Committee of the Whole passed a motion asking staff to, “provide a report analyzing the implications of an increase in the Parks and Recreation operating & capital budgets to 80% of municipal cost benchmarks by fiscal 2021/2022, increasing each of four years starting in fiscal 18/19, with funds to improve facility and field conditions, expand programming and grant funding for community events, arts, culture and heritage programming.” This request for a report was ratified by Halifax Regional Council on February 21, 2017.

The Council motion for this report was the result of a staff presentation of some preliminary benchmark information from Municipal Benchmarking Network Canada (MBN Canada) indicating that the operating costs to maintain HRM parks was well below several other Canadian cities. Since that time, staff has been working with MBN Canada and other benchmark cities to collect and refine the comparative information, inclusive of full costing. As a result, staff believes the 2017 MBN Canada benchmark data for Parks Operations contained in Appendix A has reached a level of reliability to inform Council’s future decisions.

It is staff’s understanding that the scope of Regional Council’s motion was intended to encompass all Parks, Recreation and Cultural services, including capital funding. MBN Canada has not yet considered capital budget benchmarks due to the wide variations across Canada. Staff continues to work on the collection/refinement of Recreation and Cultural services data to enable reliable benchmark comparisons to other Canadian cities. The primary challenge with HRM’s Recreation data is that approximately 70% of recreation expenditures are governed and managed through numerous third-party community operators that have separate data systems. As directed by Regional Council, staff has started to close this significant information gap by way of updated operating agreements and deployment of new enterprise recreation technology (Legend).

As a result of the information gaps outlined above, staff is only able to bring forward Parks operating related benchmark information at this time. The Parks division currently operates with a budget of \$12,600,000 and a staff complement of 107. The Parks division is responsible for the maintenance, operation and capital of the following complement of assets:

- 917 parks
- 2 greenhouse complexes
- 407 playgrounds
- 335 sports/ball fields
- 321 sports courts
- 8 all-weather fields
- 270 km of trails
- 6.02 million sq. m of grass
- 6 cemeteries
- 1182 shrub and flower beds
- 153 water access points
- 461 baskets/planters
- 15 skate parks
- 14 bike parks

DISCUSSION

Parks staff fully participated in the 2017 benchmarking program with MBN Canada. Some of the key benchmark statistics that are relevant to this report are provided in Attachment A. Current benchmark cities include: Calgary, Hamilton, London, Montreal, Regina, Sudbury, Thunder Bay, Toronto, Windsor and Winnipeg. To help ensure the municipal benchmarks are as comparable as possible, a data dictionary has been established and full service cost data is required.

Findings

From Figure 22.2 in Attachment A, it is noted that HRM has 494 hectares of maintained parkland and 737 hectares of natural parkland, for a total of 1,231 hectares of parkland per 100,000 population. Only Sudbury and Thunder Bay are reporting more hectares of total parkland per 100,000 population. The Operating Cost per Hectare for Maintained and Natural Parkland is found in Figure 22.4 of Attachment A. HRM has an operating cost per hectare of \$3,335, which is significantly lower than all benchmark cities other than Sudbury. MBN Canada also measures the Operating Cost per Person which is found in Figure 22.3 of Attachment A. Benchmark results show that HRM's operating cost per person of \$41.05 is also significantly lower than all benchmark cities except for London and Winnipeg.

Table 1 below summarizes how HRM compares to the High, Low, and Median benchmark cities for the comparative measures of Cost per Hectare and Cost per Person. Based upon the cost data in Table 1, it is possible to then calculate the difference in funding levels between HRM and the High, Low, and Median benchmark cities which is included in Table 2 below.

Table 1 – Benchmark Cost Comparison Summary (could chose median comparison only)

Comparative Indicator	Low Benchmark	High Benchmark	Median	HRM
Operating Cost per Person	\$35.00	\$101.93	\$67.28	\$41.05
Operating Cost per Hectare	\$2,456	\$33,549	\$11,058	\$3,335

Table 2 – Funding Differential Between HRM and Benchmarks

Comparative Indicator	Low Benchmark	High Benchmark	Median	80% of Median
Operating Cost per Person*	-\$2,611,791	\$26,281,757	\$11,323,517	\$9,058,913
Operating Cost per Hectare**	-\$4,687,830	\$160,587,410	\$41,047,745	\$47,018,616

*HRM population: 431,701

**HRM hectares: 5,315

Based upon Council's request to analyze the implications of an increase in the Parks operating budgets to 80% of municipal cost benchmarks, increasing in each of four years, the results in Table 2 would indicate that HRM Parks operating budget would need to increase approximately \$2.26M in each of the next four years to reach 80% of the Median Operating Cost per Person benchmark. Alternatively, the HRM Parks operating budget would need to increase approximately \$11.7M in each of the next four years to reach 80% of the Median Operating Cost per Hectare benchmark. Without question, HRM Parks operations could benefit from increased funding; however, given the current desire of Council to maintain fiscal restraint and tax rate increases below 2% annually, it is unreasonable to expect that either of these funding scenarios could be achieved in the short term. Further, given that citizens indicated a 97% overall satisfaction with HRM Parks in the recent 2018 Citizen Survey, it is questionable whether such significant increases are required in the short term.

While there is a high public satisfaction with HRM parks, this likely stems from the accomplishments that are being achieved through operating budgets in ensuring that conditions are suitable for public use. In many situations, the lifecycle of facilities and amenities are being extended beyond normal expectancies and there is a risk in not devoting sufficient capital funding for replacement and modernization, along with the associated staffing.

Given the significant difference in benchmark funding levels, it is worthy to note some of the factors that staff believe underlie the differences:

1. Sports Fields / Courts / Playgrounds

As noted, HRM's inventory includes hundreds of sports fields, courts and playgrounds. The condition of the inventory varies significantly, with some assets in a relatively new state and others in serious disrepair. The condition of the assets is further impacted by their use. Demand for some assets is significant, resulting in overuse of some fields, courts and playgrounds. As a result, some require recapitalization at increased intervals, based on industry standards, while others are overdue for full recapitalization.

HRM Parks has undertaken an assessment of all playgrounds and determined that an increased rate of replacement would be required to be able to maintain the inventory at a safe and appropriate level. As a result, capital budget funding was increased to enable the replacement of approximately 30 playgrounds per year, which is a significant increase over the previous 10-15 replacements per year. As well, the focus is on replacement of playgrounds which are at end of life, with only limited opportunities for new installations.

The playground assessment and reinvestment program is successful and is starting to improve the overall quality of HRM's playground inventory. A similar assessment and reinvestment program is needed for other assets, including sports fields, sports courts and ball diamonds. Limited comprehensive reinvestment programs for all park assets would impact HRM's funding levels as compared to other cities.

2. Staffing

One of HRM's challenges is having sufficient staff to implement improvements and undertake proper maintenance. If, for example, Council dramatically increased the capital budget for improvements, we would also need to augment our staffing for tendering and then for proper maintenance, once the new asset is built.

HRM's current staff supervisory ratios (approximate):

1 Supervisor: 100 Parks

1 Supervisor: 40 Playgrounds

1 Supervisor: for each of 30 sports/ball fields and courts

1 Supervisor: 23-25 Staff

Parks relies heavily on contracted services and community partnerships in lieu of in-house resources when compared with other cities. While these relationships undertake the field work on HRM parks, they also require oversight and management by HRM Parks staff.

HRM's staff supervisory ratios are significantly higher than other cities which tend to fall in the range of 1 to 12-15 staff and significantly fewer assets. Maintenance standards also vary across the MBN cities, which impacts the number and type of Parks staff in each city. As a result, the reduced staffing numbers has an impact on the level of funding when compared to other MBN cities.

As part of the 2019/20 budget process, staff presented the proposed Administrative Priority Outcomes. One of the goals for the upcoming year includes "Identify business functions that require an assessment of supervisory burden including spans of control within business functions to reduce risk and improve performance." The span of control with respect to Parks will be included in that review to ensure HRM has the most effective management structure.

Windsor is on the high end of operating costs and attribute this to relatively stringent maintenance standards, which is achieved by performing all maintenance in-house and keeping high staff levels year-round. They also have many specialized park amenities which require exceptional levels of care. In contrast, London, who had the lowest operating costs in 2016, attribute their low budget to infrequent cutting cycles and heavy reliance upon low wage seasonal staff.

3. Efficiency and Technology

Based on discussions with other MBN cities, HRM is investing significantly fewer resources into ensuring that its parks delivery program and maintenance program is efficient, using best practices, and best technology. Other cities are exploring modern technologies and automated systems to support and supplement maintenance activities. Since HRM has a higher reliance on traditional methodologies, funding requirements tend to be lower. Conversely, an argument could be made that HRM has fewer opportunities to explore advancements in technology to improve its service due to the fact that its funding is lower than other cities.

4. Parks Programming

HRM has very little designated programming in parks in comparison to other Canadian cities who undertake programming to animate their parks. HRM has started to expand into more park programming in recent years, often through partnerships with community groups. Therefore, funding allocated for programming in HRM parks is significantly lower in HRM than other benchmark cities. HRM also has very few park assets that require staffing such as canteens, kiosks, etc.

5. Park Security and Administration

HRM has no designated park security personnel or camera systems and relies heavily on the appropriate behavior of citizens and HRM police/by-law forces to ensure its parks are safe and functional for all users. As well, HRM has a very simple Parks By-law when compared with other municipalities that provides significant freedom from excessive administration or permitting for routine activities. Therefore, when compared to other MBN cities, HRM has minimal administration costs associated with its parks.

6. Data Discrepancies

Benchmarking can be challenging because not all municipalities calculate metrics in the same way. Staff continues to engage in discussions with other MBN cities to ensure consistency in all data calculations. Discrepancies among municipalities appear to arise from two main sources:

- Different levels of investment into parks operations – cities manage their parks in differing ways and allocate costs accordingly.
- Different reporting, which can be attributed to varying interpretation of the Parks Data Dictionary and diverse municipal finance structure and processes. As a result, benchmarking can be difficult because costing information must be teased apart.

That said, staff feel that the median benchmark provides a reasonable comparison metric.

7. Natural Parkland

One key difference is the relatively high amount of Natural Parkland in HRM in comparison to some of the other benchmark municipalities. Typically, natural areas incur lower levels of operating expenditures to maintain. While HRM does have a higher amount of Natural Parkland that may not be the subject of substantial operating expenditures at this time, it is expected that future wilderness park development will result in increased budget pressures that will need to be considered.

Moving Forward

As part of the annual business plan and budget process, Parks staff will continue to present funding options beyond the budget envelope for Regional Council's consideration. Staff will also continue to propose appropriate capital budget projects to ensure the state of park's inventory remains in good repair. Parks staff will also continue efforts with park asset rationalization and naturalization initiatives to make better use of existing funds and to ensure HRM's inventory of Parks assets is effective in meeting citizen's recreation needs. All of these steps will enable HRM to move towards a funding level more in line with other MBN cities.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. Staff will continue to bring Parks funding recommendations for Council's consideration as part of the annual business plan and budget process.

COMMUNITY ENGAGEMENT

There was no community engagement undertaken for this report.

ATTACHMENTS

Attachment A: Excerpt from 2017 MBN Canada Performance Measurement Report - Municipal Parks

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

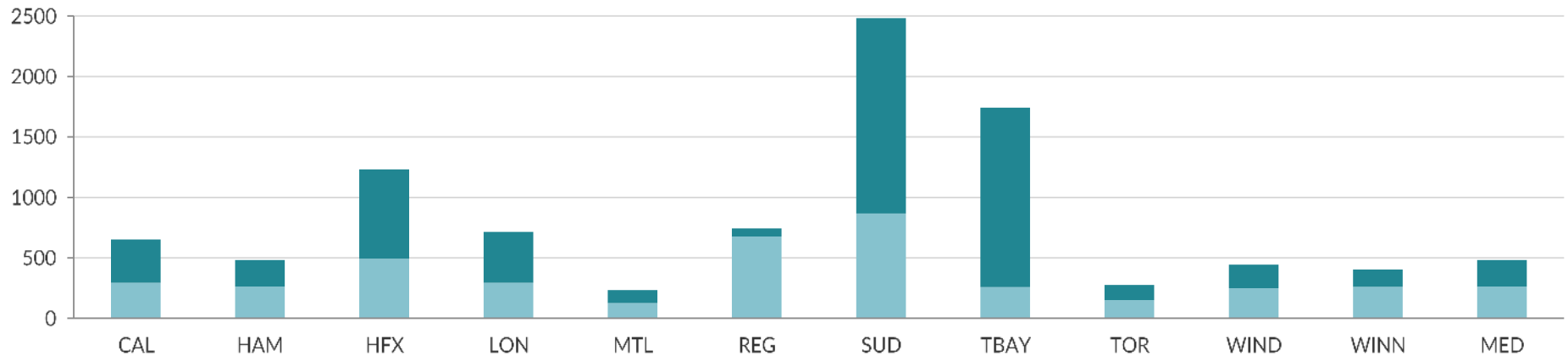
Report Prepared by: Denise Schofield, Director, Parks & Recreation 902.490.4933
Ray Walsh, Manager, Parks, 902.490.6591
Richard Harvey, Manager Policy & Planning, 902.476.5822

Fig. 22.2 Hectares of Maintained and Natural Parkland in Municipality per 100,000 Population

Maintained Parkland: Includes hectares where the municipality is responsible for the direct and non-recoverable costs (should incur costs) to maintain, and are available for public use. This could include hectares owned by the municipality or school boards (if a reciprocal agreement is in place), and/or those leased from third parties (through a formal lease agreement), as long as they are made available for public use.

Natural Parkland: Includes forests, meadows, storm water management buffer areas above the waterline (unless they are maintained to a high standard) which are lands surrounding ponds, and rivers if these areas are part of the trail system or open space system which are available for public use.

There is little to no change in the number of hectares reported year over year, therefore only 2017 data is presented.

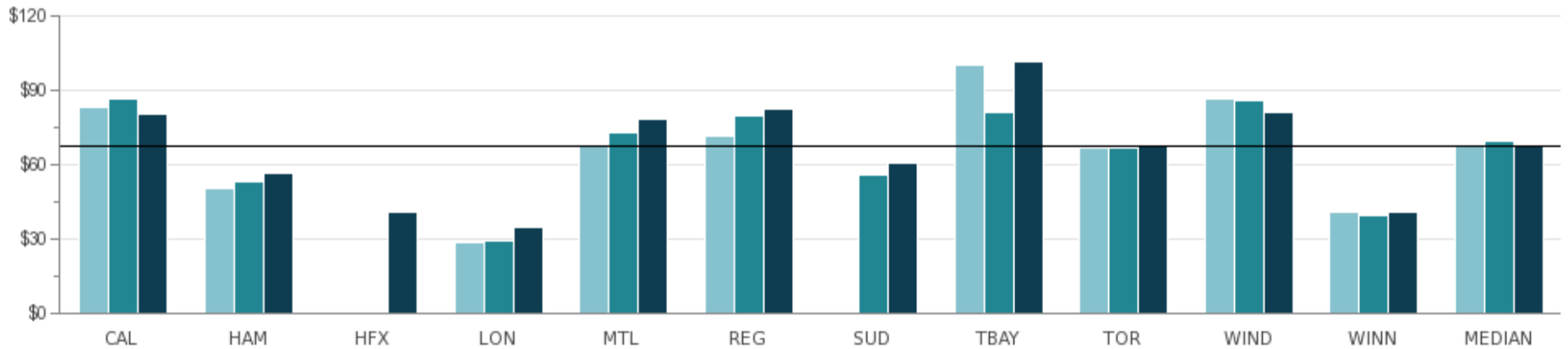


Maintained	293	262	494	293	127	677	866	257	150	248	260	262
Natural	359	220	737	422	107	67	1,617	1,485	126	195	144	220
Total	652	482	1,231	715	233	744	2,483	1,741	276	444	403	652

Source: PRKS205 (Service Level); PARKS210 (Service Level); PARKS215 (Service Level)

Fig. 22.3 Operating Cost of Parks per Person

This measure reflects the operating cost to maintain parkland. Maintained parkland includes hectares where the municipality is responsible for the direct and non-recoverable costs (should incur costs) to maintain; and which are available for public use. This could include hectares owned by the municipality or school boards (if a reciprocal agreement is in place), and/or those leased from other third parties (through a formal lease agreement), as long as they are made available for public use. Natural parkland includes: forests, meadows, storm water management buffer areas above the waterline (unless they are maintained to a high standard) which are lands surrounding ponds and rivers if these areas are part of the trail system or open space system. These hectares include those for which the municipality is responsible for the costs (should incur costs) of maintaining and which are available for public use.



2015	\$83.14	\$50.32	N/A	\$28.58	\$67.89	\$71.63	N/A	\$100.16	\$66.52	\$86.53	\$40.72	\$67.89
2016	\$86.35	\$53.24	N/A	\$29.49	\$73.11	\$79.52	\$55.98	\$81.43	\$66.53	\$85.77	\$39.51	\$69.82
2017	\$80.79	\$56.90	\$41.05	\$35.00	\$78.29	\$82.25	\$60.97	\$101.93	\$67.28	\$81.50	\$40.94	\$67.28

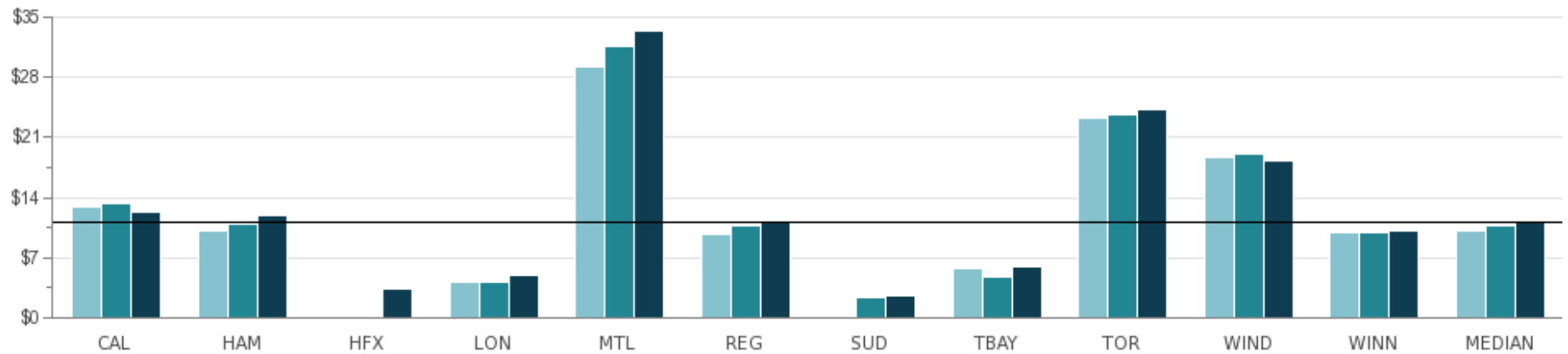
Source: PRKS230M (Service Level)

Fig. 22.4 Operating Cost per Hectare - Maintained and Natural Parkland

Refer to Fig. 22.2 for description of maintained and natural parkland.

This measure includes the operating cost for Maintained and Natural Parkland that the municipality is responsible to maintain and are available for public use. The higher the population density per hectare of parkland is – the greater the number of users, resulting in increased costs. Maintained parks have higher maintenance standards and levels of maintenance activity than natural areas. In addition, differences in service standards established for maintained parks and variations in level of management applied to natural areas affect the results.

(In Thousands)



2015	\$12,897	\$10,199	N/A	\$4,117	\$29,359	\$9,642	N/A	\$5,776	\$23,240	\$18,639	\$9,934	\$10,199
2016	\$13,272	\$10,868	N/A	\$4,212	\$31,672	\$10,731	\$2,255	\$4,677	\$23,642	\$19,027	\$9,905	\$10,800
2017	\$12,400	\$11,808	\$3,335	\$4,895	\$33,549	\$11,058	\$2,456	\$5,854	\$24,351	\$18,372	\$10,148	\$11,058

Source: PRKS315 (Efficiency)