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CIVIC AFFAIRS

The Benefits and Costs
of Recreation



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The Benefits and Costs of Recreation

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CIVIC AFFAIRS IN BRIEF

Recreation at the municipal level went through a period of unprecedented growth in the 1960's and early 1970's. During this period a large number of recreation facilities were produced and recreation was given a high priority in the budget process every year. Recreation departments, as with all municipal services, are now faced with economic restraint. This restraint has resulted in a decrease in the number of new facilities and has caused recreation to be given less priority than some of the harder services in the formulation of municipal budgets.

Most recreation departments are not adequately prepared to deal with this new situation, however. Few have formulated an approach which takes into account the purpose, the goals and the costs of recreation. Information is known in each of these areas but little has been done to address how the benefits and costs can be melded together to obtain a comprehensive approach to the provision of recreation.

This CIVIC AFFAIRS addresses this problem by assessing the role of recreation at the municipal level. It outlines the major benefits and financial constraints currently being faced and makes some recommendations on how the economic needs can be matched to the benefits.

Recreation is an essential service at the local level and should be recognized as such. It has social and economic benefits which are integral to the well being of a municipality. These benefits must be considered when addressing the budget process and determining operating costs of various facilities.

There are a number of things which should be done at the local level which would help to ensure a more comprehensive approach is taken. Municipalities should have an agreed upon definition of recreation and a statement of goals. If both the department and the Council better understand and agree to the role of recreation then this would facilitate the development of program objectives as well as justification and preparation of budgets.

The economic and social advantages of recreation should be documented at the local level. More and more evidence is being found that indicates the vital role recreation plays in the economy of a municipality. Each department should document these advantages and use them for policy formulation as well as strengthening their position vis a vis other departments.

There is also a need for recreation departments to develop policies of user charges for some of its services. There are a number of areas where charges would serve a valuable role to alleviate costs and would not harm either the service or the user.

Lastly, more concern should be directed toward developing cost saving approaches to the operation of existing facilities as well as designing new facilities to take advantage of the latest technology to decrease costs.

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The provision of recreation at the municipal level has been in a state of flux for the last decade. The late 1960's and early 1970's were a time of unprecedented growth for most municipal recreation departments. Not only were monies available for capital projects but most departments enjoyed a high priority ranking in the municipal budget each year.

By the mid-1970's, however, the situation began to change. Municipalities were beginning to face economic restraint. At budget time a much closer scrutiny was given to all budgets and the competition between departments increased. As a result, recreation departments began to slip down the budget priority list and their annual increases were continually cut back. Recreation was viewed by many as a "soft" social service which was a frill in contrast to the harder services, such as fire and police, whose necessity was rarely questioned.

Since this time, many recreation departments and councils have been trying to come to terms with the true worth of recreation in the municipality and how this worth should be translated into budgetary requirements. The nature of recreation makes it difficult to give a clear answer to this conflict. Most of the work that has been done to date has concentrated on one area or the other. Either a study will deal with the benefits and philosophical basis of recreation or it will deal with the finances (funding, budgeting, needs assessments, etc.). Few have tried to combine these two areas and develop a comprehensive approach to current problems.

The purpose of this report is to address the issue of how to meld the benefits and costs of recreation. Recreation plays a distinct role in a municipality. Not only does it promote physical well-being - its traditional role - but it also has an important role to play in terms of the social and economic well-being of the municipality. The fact that recreation many times meets social and economic needs is rarely discussed in the budget process. The evidence is becoming clearer and clearer, however, that recreation plays a vital role and is, in fact, an essential service.

Integrating these conclusions with the economic requirements is a difficult thing, however. Preparation of budgets and meeting operating costs of facilities are the most critical financial areas for most recreation

departments. These are, however, many times dealt with in a vacuum; separate from the goals and objectives which the department is trying to achieve. The result is a lack of solid arguments for budget requirements and a fragmented approach to the provision of services. An integration of these two areas must take place and suggestions are made here to pinpoint where this can best happen. Conclusions and recommendations are presented which should serve to guide both recreation departments as well as politicians to more comprehensive and solid decisions in the recreation field.

II DEFINITIONS OF RECREATION

A definition of recreation was presented by the Minister of Culture and Recreation in 1976. In the Provincial Legislature he stated:

Recreation included those activities in which an individual chooses to participate in his or her leisure time of a physical, artistic, creative, cultural, social and intellectual nature; and
 Recreation is a fundamental need for citizens of all ages and interests and is essential to the psychological, social and physical well-being of man;
 Therefore be it resolved that:
 Recreation is recognized as an essential social service that falls within the constitutional jurisdiction of the provinces and the territories.¹

The Minister touched on a number of significant aspects of recreation which are current to most definitions. The range of activities now associated with recreation goes well beyond the physical orientation to the social, cultural and intellectual. The role of recreation is no longer viewed as merely providing an opportunity for sports activities but encompasses a number of other functions as well.

The Sports and Fitness Division of the Ontario Ministry of Culture and Recreation outlines its philosophical basis in terms of the relationship between the social or human needs and recreation. As stated recently in its "Division Philosophy and Operational Principles":

In the last few years, the concept of recreation has been increasingly related to the satisfaction of a growing number of human needs The spectrum of activities has been growing too (and includes) human growth, even contemplative activities.²

They also state that new objectives and purposes have been added to the initial ones, creating useful and legitimate areas of action. These include:

¹Ontario Minister of Culture and Recreation, Hansard (May 13, 1976), Section 64.

²Francis Bregha, "Division Philosophy and Operational Principles" prepared for the Ontario Ministry of Culture and Recreation - Sports and Fitness Division.

recreation as prevention
 recreation as therapy
 recreation as education
 recreation as an expression of citizenship
 recreation as an expression of creativity
 recreation as culture
 recreation as community involvement¹

Taking these broad definitions of recreation and translating them to the municipal level is a difficult task. A general agreement that recreation fulfills physical, social, cultural as well as psychological needs does not automatically define the overall goals of a municipal recreation department. The fluctuation of emphasis between these four aspects as well as the demands and needs presented within the municipality can result in a number of different philosophies which guide the practice of recreation departments in their provision of services.

In 1979, D. L. Minshall, University of Ottawa, conducted a survey of administrators and program directors from 144 municipalities. The survey, summarized by Thomas Goodale, stated:

the problem most frequently mentioned by respondents concerned the role or function of recreation and municipal recreation agencies. The changing social context of municipal services (a smaller economy, concern with the size and cost of government, atomized families and communities) and changing concepts of recreation (experience rather than activity) and leisure have given rise to this period of selfquestioning and analysis.²

This problem of definition and role is one which will continue to persist and with which municipalities must learn to cope. It is for this reason that many municipal recreation departments are turning to formal statements of purpose, many times approved by Council, which are used as the basis for operating.

In 1977, for example, Etobicoke Parks and Recreation Services Department presented to Council a report entitled "The Philosophical Stance of the

Etobicoke Parks and Recreation Services Department". The report outlined the purpose of the Department and included statements such as:

For the past twenty years the basic principle behind the organization of our services is that each citizen shall have the opportunity to participate in activities of their own free choice, and should have an input into the determination of the activities provided. ... We have also held, and believe, that our services should not be classed as a welfare function, but rank as a social utility much the same as health services and/or education services.

The Scarborough Recreation and Parks Department also has formal statements of purpose which are included in their yearly "Results Plans". The "1981 Results Plans" included such items as:

To enrich the lives of our residents by providing opportunities and experience in a wide variety of social, creative, cultural, physical and educational recreational pursuits, to respond to the expressed leisure needs of the community and to coordinate related community leisure services. ... To provide recreation facilities, facility programs, and related services which fulfill the individuals', community groups' and agencies' recreational space requirements.

The statements by Etobicoke and Scarborough differ slightly in emphasis but each places recreation within the category of essential social service. By more clearly defining the role of recreation within each municipality, they also allow a sounder basis for decision making.

¹Ibid.

²Thomas L. Goodale, "Municipal Services: Problems in Provision", Recreation Research Review 8, (July 1980), p.20.

III BENEFITS

Many of the needs which recreation meets are difficult to quantify. Unlike the "hard" services where need for such things as sewers or police may be evident, need for recreation is harder to pinpoint. This difficulty, combined with the wide range of purposes mentioned in the last section, make it difficult for officials, both inside and outside a municipal department, to justify certain programs.

Documentation does exist, however, which outlines particularly the social need for recreation. There is also growing evidence of an economic need for recreation as well. A brief review of the social and economic advantages is presented here as an aid to a clearer understanding of the extent recreation fits into the overall needs of a municipality.

Social Needs

Urban recreation in the United States is viewed as an essential response to human needs within often inhuman urban environments. According to the United States Department of Housing and Urban Development (HUD),

A substantial amount of time and money invested in recreation today represents escape from inadequate environments - dwellings, neighborhoods and whole municipalities whose design and condition range from recreationally useless to downright inhuman. When we begin on a widespread basis to design and restore housing and communities with the primary objective of meeting human needs, we will in the process have met a substantial amount of the demand for recreation.¹

Within this same report, Urban Recreation, it is recommended that the "need" for recreation be approached holistically, in other words to plan for recreation together with housing, education, law enforcement and transportation because of their inherent linkage.

¹Interdepartmental Work Group on Recreation, Urban Recreation, U.S. Department of Housing and Urban Development, Washington, 1972, p.3.

A similar concern is also presented in Parks and Recreation Futures in Canada:

Industrializing urban society with its highly tailored and sterile suburban landscapes, the decreasing depletion of places where people can interact is capable of destroying traditional qualities of life which makes life human.¹

The social need for recreation is being identified as a means for community involvement and as an expression of citizenship. This is particularly true for recreation centres located in predominantly high-rise, multiple ethnic areas. Their objective is to foster a sense of community and social contact, to overcome the loneliness and isolation identified by many as our worst urban social problem.

The need for recreation to meet social problems also has a psychological component, which has been a recent addition to most recreation discussions. Recreation and leisure services are increasingly being viewed as outlets for societal stress and tension, and as outlets for surplus energy and emotions left over from jobs considered to be dull and repetitive, without challenge. Active sports supply competition and challenge and a physical outlet for stress and tension. Recreation planners credit the new interest in high risk sports such as mountain climbing and sky diving, for example, to the workplace where risk and challenge is missing. In addition, the alienation of youth and indeed of most ages leads to a renewed interest in seeking physical satisfaction as a replacement for emotional dissatisfaction.

This idea is also expressed in the Etobicoke "Philosophical Stance" mentioned previously. It states:

Most of our citizens do not know how to cope with the increased pressure, increased pace, increased stimuli, and the new increased economic pressures that plague today's modern life. The breakdown of the family structures, the routinization of jobs, the shorter work weeks, the lack of creativity in our daily requirements, and the increased life spans, all point to the need for adult participation in wholesome leisure activity. Such activity can truly re-create us and give meaning to adult life.

¹The Canadian Outdoor Recreation Research Committee, Parks and Recreation in Canada: Issues & Options, prepared for the Federal-Provincial Parks Conference, 1976, p.99.

Recreation is also identified as an answer to increasing vandalism and destruction, particularly by what are currently referred to as "our alienated youth". It is argued that the involvement of youth in recreational programs which they enjoy and in which they in fact have an organizational role, will usually curb destructive actions and vandalism in a community.

Finally, recreation is often viewed as a social necessity to curb and diffuse racial tensions in a community. Recreation in this sense acts as a social mechanism to bring people together and to educate individuals through personal contact and involvement with each other. Specific programming for various ethnic groups within a community can also serve to educate the entire community about the various customs and cultural values of each of the neighbouring groups. For example, it is not uncommon to have community recreation centres offering ethnic dance classes with community stage productions. Generally, recreation can serve to overcome isolation, a most basic cause of racism, where ethnic and non-ethnic groups alike are not in contact with each other. Unfamiliarity breeds contempt and mistrust, hence the need for social interaction for which recreation and leisure activities are the best of vehicles.

This type of approach to racial tensions can be implemented in advance of any unnecessary outbreaks of racial violence. It would seem that recreation is considered one of the best means to alleviate this potential problem, given the recommendations which were included in a report by the Metro Toronto Coordinator, Multicultural Relations. Following a racial attack in May, 1980, the report was prepared and offered two main approaches to an easing of racial tensions - community workers and recreational programming. Emergency funds were also provided to start new sports programs.

Generally, recreational programming and organized leisure activities do offer the means by which various groups can be brought together and, in addition, recreational activities can at the same time serve to release other tensions; fulfill desires for risk, challenge and competition; and act as an outlet for violence.

Recreation as an Economic Stimulant

Apart from the social need for recreation, there are also economically-based arguments which support the need for recreation. It has only recently been recognized that recreation lends support to other programs in, for example, reducing policing and health expenses. By acting as a preventative measure, the increase of costs in other areas can be limited - saving money for the municipality in the long run.

Municipalities have become increasingly aware of the importance of a sound industrial base. Many are undertaking extensive programs to increase the number of industries developing in their area. Evidence has been available for many years, however, that the traditional economic reasons for relocation do not give the entire picture. Industry and business do not necessarily locate according to "economic location theories" - within close proximity to transportation, raw materials, etc. More and more studies are suggesting that recreation also plays a role in location.

In 1967, the Ontario Economic Council did a review of the site selection process of forty-two industries in Ontario's smaller cities. One of the findings of the report was that:

Successful industrial siting in Ontario as elsewhere, is not determined solely by slide rule calculations. There is a large mixture of personal considerations and corporate philosophy... Adjacency to recreational facilities can be as important to some as adjacency to market.¹

The Steering Committee on Economic Development for the Municipality of Metro Toronto stated in its report that to attract industrial development municipalities must maintain a high level of quality of life, i.e. parks, recreation facilities, cultural opportunities. To do this, appropriate policies and programs must be in place.²

¹Ontario Economic Council, Why, where, how, and would they do it again, 1967, p. 2.

²Steering Committee on Economic Development for the Municipality of Metro Toronto, Economic Development Strategy for Metropolitan Toronto, November 1980, p.28

Municipalities have an overriding responsibility to their residents to promote the economic and social well-being of the community. The promotion of the economic and social health of the community therefore must be the primary goal of any municipal economic development policy or strategy.¹

In 1977 the Rand Corporation did a study on the impact of federal programs on urban areas in the U.S. In discussing economic development they stated, "Although some households have moved to seek jobs, there is mounting evidence that companies have followed population rather than vice versa."² The conclusion is that economic development strategies at the local level must be related to efforts to improve the quality of life of residents.

Partners for Livable Places, a Washington, D.C. based organization, has developed a program called "Economics of Amenity" which is designed to answer in part the question of the economic value of amenities at the local level.

The Economics of Amenity Program will show that communities that invest public and private dollars in improving their quality of life have those dollars multiplied and returned to them through subsequent investment.³

All of these reports indicate that recreation at the local level is vital to the economic development of a municipality. Not only can recreation attract economic development but it has other spin-off effects. For example, income to a municipality can be increased when an amenity is introduced that had been previously purchased outside the area.

Thus recreation has a purpose in the overall health of a municipality and indeed is a vital part of not only the social and cultural aspects but the economic as well. These benefits are many times viewed very separately from the financial constraints under which recreation departments, as all municipal departments, must function. The next section deals with two aspects of finances - budget formulation and operating costs - concentrating on the Etobicoke and Scarborough practices as examples. Section V then addresses how the benefits of recreation can be combined with the economic realities.

¹Ibid., p.26.

²Rand Corporation, Urban Impact of Federal Policies, Vol. 2, 1977, p. 81.

³Partners for Livable Places, "Economics of Amenity News", Vol. 1 No. 4, Dec. 1980, p. 2.

IV THE FINANCING OF RECREATION

A heightened concern with financial considerations has recently emerged in recreation departments. This has occurred partly as a result of inflationary costs, escalating interest rates, and increased demand for facilities and programs, but largely as a result of fiscal restraint within most public administrations. Although the financing of recreation is a multifaceted problem, there are two areas in particular which have received attention recently. These are: budgetary methods and operating costs. Departments are spending an increasing amount of time preparing budgets and dealing with a high level of operating costs.

Budgetary Procedures

One direct outcome of the restraint period has been to review and improve the budgeting methods of municipal departments. In the Borough of Etobicoke, for example, the Parks and Recreation Services Department now prepares a 400-page budget which must detail and justify each item of cost. By contrast, other departments in the "hard service" area often merely prepare a one-page budget submission.

Etobicoke Parks and Recreation Services Department has used a combination of historical, zero-based and objective management budgeting, since the time the restraint program was implemented. Net budgeting is practiced here as well, where each recreation centre has its own budget and all fees, concession revenues and general revenues are kept within the centre's own individual fund.

The Borough of Scarborough Recreation and Parks Department employs a program budget, a form of budgeting which stems from management by objectives, and a system within which the dollars are related to the objectives set. The budget is reviewed quarterly to determine how its objectives are being achieved. The Department does not employ net budgeting; instead all revenues from the individual centres are brought into a general department-wide fund for redistribution as needed. Hence, the Department controls centrally the budgetary progress at each centre.

The restraint program has also affected the priority ranking of recreation relevant to other departments. Before 1976 the Etobicoke Parks and Recreation Services Department enjoyed its greatest period of growth. It was also given a high budget priority from the late 1960's to the mid 1970's. Its annual budgetary increase at that time was usually between 10 and 12 percent. Since 1976, however, the Department has been held between 1 and 2 percent annually and has dropped in priority ranking to third place. (This can be partially attributed to the fact that Etobicoke is almost completely developed with only small areas still available for residential development.)

On the other hand, Scarborough is still growing and has a number of new capital programs underway and approved over the next few years. The Recreation and Parks Department is ranked second largest in terms of both size and dollars. However, this Department is unique in that all public buildings (design, construction, maintenance and renovation) are the responsibility of the Recreation and Parks Department. Beginning in 1967 more money became available for recreation. The Department continued to grow in the early 1970's and has been gaining momentum ever since.

Operating Costs

The costs associated with recreation facilities are the capital costs and the operating costs. Capital costs include all costs of land, construction, site development, design, financing, equipment, furniture and fixtures initially installed. Operating costs include maintenance, administration, salaries and wages, advertising, materials and supplies, security, heating and utilities and taxes.

The availability of capital funding for recreation facilities in Ontario from the Wintario Community Grants Program, the Community Recreation Centres Act (CRCA) and other sources within the Province has allowed municipalities to undertake the capital construction of numerous centres. Many of these centres, however, have generated large and burdensome operating deficits, a financial position with which many municipalities are unable to deal.

The freeze on Wintario capital funds on December 31, 1978 and the implementation of the Wintario Planning Grants Program encourages planning

studies to be undertaken in advance of capital funding applications. This program, by providing up to 50 percent of the financing, assists the community or municipality to collect information about local needs, financial and operational resources, community priorities and user participation, to determine any future programs and facilities required. This program also finances feasibility studies, to determine the need for a specific facility and its economic feasibility in terms of capital and operating costs and benefits.¹ With these studies, the reinstitution of Wintario Capital Grants in early 1981 may see municipalities better prepared to take a realistic look at the operating side of the proposed facilities. Although the terms of these grants are not finalized, early indications suggest that the emphasis will switch from the larger million dollar ones it has funded before to smaller community projects.

With the heightened concern for operating costs, there have been some recent attempts to project the operating costs of a facility prior to its construction. There is no legal obligation of any municipality to address operating costs when a facility is being planned. In Etobicoke, however, there is some attempt to provide data on the costs expected through comparison of similar facilities. In Scarborough, the operating costs of a proposed facility are projected on the basis of other comparable operations and on a square-footage basis.

To be aware of the impending operating costs of a facility at conception allows a department to plan for these costs in an improved way. The Borough of Scarborough, for example, is particularly concerned with energy costs during operation and thus gives a great deal of consideration to the engineering and design features of a new facility to ensure lower energy costs during the future years of operation. In fact, the Borough of Scarborough as a whole has reduced by 30 per cent, its energy costs in their public buildings since 1978.

¹Statement by the Honourable Reuben C. Baetz, Minister of Culture and Recreation, Re Wintario in the Legislature, November 23, 1978.

In the Etobicoke Parks and Recreation Services, where the restraint program is more extensively felt, there is less capital building going on and there is less opportunity therefore to plan and design for potential operating cost savings. As a result, efforts in Etobicoke are directed at cost-savings within already existing facilities. The increase in operating costs have been felt in particular at the Borough's swimming pools. Because of the increased costs of chemicals as well as the energy costs involved in running the pools, overall operating costs at these facilities have doubled in the past two years. In response to this, all outdoor pools are open one week less per summer which saves \$4000 at each of their 19 pools. The outdoor ice rinks have also had their season shortened by two weeks at a cost-saving of \$2000 per week (\$4000 for the two weeks) at each of the Borough's 17 ice rinks. The inflationary wage cost has been viewed as exceedingly high and, to cut costs, the Etobicoke Department now employs 10 less full-time staff and 400 less part-time staff. The Department has improved upon its lighting at tennis courts and baseball playing fields by installing automatic timers in addition to automatic push-button switches for user access. They have also substantially lowered their operating costs for grounds maintenance. Now only 60 per cent of the grass is cut at the Etobicoke parks and recreation facilities, leaving areas to grow wild and return to their natural state, particularly in the ravine and valley areas. The lawns are also now cut every 14 days as opposed to every 10 days during the summer months. Much of the handwork has been eliminated to reduce labour hours, through the use of large machines designed to work on a larger scale.

From the Etobicoke and Scarborough experiences, there are clearly two approaches in dealing with operating costs. The Etobicoke Parks and Recreation Services Department which seems to be in a slow-growth period under a program of restraint is practicing various methods of reducing operating costs at their existing facilities. The Scarborough Recreation and Parks Department, however, is still growing with respect to population and capital projects and is implementing cost-saving devices in the design of facilities to be constructed. These two cases are representative of the varying trends and experiences of most Ontario municipalities.

The last three sections have outlined the conflict within which many municipal recreation departments find themselves. They can define the overall importance and benefits of recreation on the one hand and can outline specific budgetary and operating restraints on the other. How can these two separate issues, however, be integrated to form a comprehensive approach to the provision of recreation? How can the social benefits of a program or facility be related to the financial constraints under which all municipal departments operate?

Justifying a Budget

Municipal recreation departments have to realize the economic constraints now being experienced by municipalities. These constraints must be reflected in the preparation of yearly budgets. Administrators should not, however, accept a loss in priority because of a lack of understanding of the importance of recreation by Council members and other department heads.

Part of departmental responsibility is to be able to assess the value of a service. There are advantages to recreation - economic, social, cultural, physical. These should be assessed in the municipality and concrete information and data should be collected to justify budgetary requirements. For example, there are few recreation departments which have begun to monitor the effect of recreation on where and whether industries are locating in a municipality. Little attempt has also been made to calculate the value of preventative programs in a neighbourhood which might otherwise require higher policing or social service costs. It is important for recreation departments to put some of their resources into research which will allow a greater understanding of the benefits in concrete terms.

It is also important to set goals and to gain support for these goals through Council approval. This serves to establish a base of agreement and a common understanding of services which is essential for a fair evaluation of a recreation budget. This goal setting will not only gain support from the outside but will allow individuals within the department to have a clearer sense of purpose and understanding.

Operating Deficits

Although there is a growing awareness and understanding of operating deficits in most municipalities, there remains as yet no set criteria to investigate and understand operating deficits at recreation centres. Deficit positions or unbalanced budgets many times are interpreted as problems in programming, staffing, communicating ideas to the surrounding community or maintenance and upkeep. However, this assumption can be incorrect. A deficit can simply mean that the department and Council have agreed that the facility is providing a public service - the same as other municipal services - and as such needs to be partially supported by taxes.

The Etobicoke Parks and Recreation Services Department has an agreement with Council that recreation is a necessary social service. A goal has been set which directs the administrative efforts toward recovery of 70 percent of their costs of operation, although this level remains well beyond their actual cost recovery. In this case, however, improvements and cost recovery techniques are being implemented in the operations and the department operating deficit that remains is supported through taxes.

In the Borough of Scarborough, a different approach is taken to operating deficits at recreational facilities. Here, the ideal objective is to have no deficit in their operations and to have each facility make enough money to ensure full cost recovery each year. The department views good management coupled with technological improvements as key factors in matching revenues with costs. At the older facilities, a deficit is expected and budgeted, but for newer facilities planning and new management techniques should eliminate deficits. Hence, Scarborough, although there is a belief in the essential worth of recreation, supports a deficit. The attitude is clearly an economically-oriented view of recreation. This is not to argue that the Scarborough objective to break-even necessarily sacrifices the services to the community. Rather, a different attitude to recreation is shown to exist between the two cases of Etobicoke and Scarborough being reviewed here. The implications of this difference are presented in the following section.

Recreation as a Business Enterprise

The argument has thus been raised that,

With the shrinking tax dollar it may not be long, if indeed the time has not already arrived, when an ability to provide income may mean the difference between success or failure in operating a worthwhile public facility.¹

The income-producing capabilities of recreation centres are most often reviewed in terms of the user-pay financing system, that is, a system of cost-recovery for services from the respective users. User charges do tend to reflect recreation as a business enterprise, and thus, to a certain extent, reverse the movement of recreation towards being both an essential social service and a societal right. This movement does not necessarily have to be at odds with the recreation goals, however.

The Bureau completed a study on user charges at the municipal level in February 1980.² In the study the question of whether charges cause exclusion of certain groups of people was addressed. The arguments on both sides of the issue will not be repeated here. The conclusion, however, was that a municipality could introduce a user charge system that was fair provided that a municipality

determine what basic service it will provide to its residents for no extra charge and which are appropriate for user charges. This is a fundamental policy decision and should help the institution of user charges, not prevent their use. There are obviously some services which must be provided to all residents and we feel that it is crucial that municipalities continue to provide these through current municipal revenue.³

¹Thomas J. Hines, Fees and Charges - Management Aids Bulletin (No.59), National Recreation and Parks Association, Arlington, Virginia, 1974, p.8.

²Bureau of Municipal Research, Municipal Services: Who Should Pay?, Topic #13, February 1980.

³Ibid., p. 38.

The implementation of user fees depends on the individual department's philosophy. There is a substantial difference, for example, between the attitude and philosophical direction taken towards user fees within the recreation departments of Etobicoke¹ and Scarborough. The Scarborough Recreation and Parks Department charges for most services and in fact has operated under a user-pay philosophy since 1957. The Department has specified which services should be fully subsidized, partially subsidized or self-sustaining. For example, youth drop-in programs, senior citizen activities, wading pool programs, playschool and playground programs, and handicapped services are all fully subsidized. The following statement reveals the justification for this decision and reflects a well-integrated approach taken by the Scarborough Recreation and Parks Department in linking their financial decision to a philosophy of recreation. As contained in a submission to the Recreation and Parks Committee, the Director of Recreation for Scarborough states:

It has been our philosophy to completely subsidize these selected programs because of their general nature and social benefit. All programs which meet the fundamental recreation needs of the community should not have fees imposed on them.²

The Scarborough Department does, however, charge for most other activities, including swimming and skating, two services that are often offered without charge in other municipalities. In general, the Scarborough Department views user fees as the primary source of revenue which will bring the Department closer to the goal of a balanced budget. In fact the planning of some facilities is undertaken to provide for recreation while others are planned for their revenue-producing capabilities. Public arenas and community halls are two types of facilities which fit into the latter category because of their income-producing potential.

¹It should be noted here that the discussion of the Etobicoke Parks and Recreation Department does not include the operation of the Etobicoke Olympium Centre where the user-pay philosophy is far more extensively practiced.

²J. Maxwell, Director of Recreation, Scarborough Recreation and Parks Department, a submission to the Recreation and Parks Committee, March 6, 1980.

In Etobicoke, there is some hesitancy to look totally to user-fees as a source of revenue, at least for a number of recreational services. There is no charge for swimming and skating at any of the Department's facilities, largely because of a belief in the need for these services for all of the community. Although the Department recognizes a necessary increase in a user-pay philosophy within certain recreational services, there is a firm belief that this system should not be totally in effect for a service like recreation.

This shifting emphasis towards the application of user fees in recreation, which appears to be just emerging as a necessary response to fiscal restraint attitudes, must be viewed in terms of its potential implications to the future of public recreation in this Province. The shift towards offering recreation services for a fee makes imminent a narrowing of the range of people to be served. It is for this reason that care must be taken in deciding which activities should be charged for. Clearly, there are some activities which should be operated free of charge or at least at a fee which will not deny any individual their use because of an inability to pay that fee. Exclusive use of facilities on the other hand should be charged for, as well as specialized services and any restricted use required by professional groups and individuals.

The following policy statement is useful as a guideline to determining where and when user fees and charges should be implemented:

those activities which 1) require expensive special facilities, 2) have limited use by the nature of their activity, 3) have high upkeep and maintenance costs, 4) require constant replacement of materials, as in arts and crafts, and 5) require exceptionally skilled and costly leadership.¹

Beyond these guidelines the appropriateness of fees and charges to any one department depends on the philosophy of recreation within the respective community. When recreation is viewed as an essential social service which

¹Thomas J. Hines, Fees and Charges - Management Aids Bulletin (No. 59), National Recreation and Parks Association, Arlington, Virginia, 1974, p. 24.

fulfills certain fundamental needs of a community, then this must be reflected in the user charge policy. If the decision making process surrounding the implementation of user fees is guided by an agreed upon philosophy of recreation then their application can be carried out in a fair and a successful way.

VI CONCLUSIONS AND RECOMMENDATIONS

Recreation at the municipal level is going through a period of transition. After rapid growth in the 1960's and early 1970's, recreation departments are now learning to deal with economic restraint in building new facilities and operating the existing ones. This restraint is typical of all municipal departments but is particularly acute for recreation since there is little common understanding of the functions it serves.

Recreation is an essential service at the municipal level and should be recognized as such. It has social and economic benefits which are integral to the well being of a municipality. What is needed is to have an integrated approach to decision making which weighs the benefits and the costs. At present, these two areas are kept separate.

There are a number of recommendations that can be made to help alleviate part of this conflict.

All three levels of government should adopt the view that recreation is an essential social service. All policies and decisions therefore should conform to this principle.

Municipal recreation departments should clearly define recreation and set out policy guidelines for approval by Council. This would establish an agreed upon definition and purpose of recreation within the municipality and would facilitate the development of program objectives as well as justification and preparation of budgets. In developing this definition and policy, it is essential that consideration be given to the community's attitudes and views towards recreation in general, the application of user fees, and the concept of subsidized services. User preferences are also basic to a recreation department's formulation of policy. It might also be advisable for the Official Plan of a municipality to include a section on recreation which would further emphasize and legitimize the goals and objectives.

As the forces of fiscal restraint place increased pressure on municipal recreation departments to justify their position, their finances, and indeed their service itself, a principle which establishes recreation as an

essential service becomes crucial. The arguments which justify the need for recreation are usually given in terms of the social but not the economic necessity. The economic advantages should also be emphasized, however. Recreation plays a large role in the economic development of a municipality. This economic justification has been raised in terms of creating substantial reductions in, for example, health and policing expenses; improving employment opportunities by attracting new business and supplying preferred industrial location; and in increasing tourism within a community or municipality as a whole. Clearly, this economically-oriented view is only just emerging. It is being recognized that recreation does have an effect on decreasing crime and juvenile delinquency, as seen by a heightened interest in good programs and requests for skilled recreation staff within troubled urban areas. It is estimated that the Etobicoke Olympium attracts \$100,000 in publicity and draws large numbers of visitors to the Borough's restaurants and hotels. If these so-called "intangible" benefits are measurable, the arguments in support of recreation can be strengthened.

In addition, the economic and social benefits of recreation should be reviewed and documented within each individual municipality in order to strengthen the department's position and maintain a higher budgetary priority vis a vis other municipal departments.

As the movement in recreation progresses away from the provision of services without charge and towards the use of user charges, a municipality is confronted with a number of decisions. Specific services need to be defined as essential while others ought to be defined as special services for which a charge can be levied. The position is indeed valid which argues that a deficit, which is being borne by the general taxpayer but which is supporting more specialized services for specific users, ought to be reduced by that user's own contribution or fee rendered. On the other hand, there are specific services which can be defined as basic services which need to be provided without additional charge. In this regard, as the user-pay philosophy gains momentum, all recreation activities should be carefully designated to determine which should be wholly self-supporting, wholly subsidized, or partially subsidized. This designation should be made in terms of the aims, objectives and philosophies of the recreation departments directly concerned.

Finally, as the heightened concern with operating deficits emerges, the level of operating costs and potential operating cost-savings must be examined. In those municipalities experiencing growth and directing capital construction projects, operating costs should be addressed at the early design stages of the new recreation facilities in order to plan for cost-saving operations. In those municipalities experiencing restraint and slow-growth, cost-saving approaches to the operation of existing facilities should be taken together with a periodic review of shifting interests, developments and trends in recreation, to determine how newly emerging activities can be accommodated within the existing facilities. This review would have the dual effect of keeping programming updated and keeping new recreation costs down.

In this period of shrinking financial resources and competing priorities, a definite challenge exists to provide the high level of services currently being demanded in the field of recreation. A sound set of arguments in support of recreation must be developed and an improved decision-making process, which addresses the concerns with operating deficits, user fees and the overall financial issues being faced, is essential. This will only result from an integrated approach to recreation within which all decisions, financial and otherwise, are consistent with, and in fact are governed by, an overall set of principles which defines recreation as an essential service and which sets out the various needs to be fulfilled by that service.

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