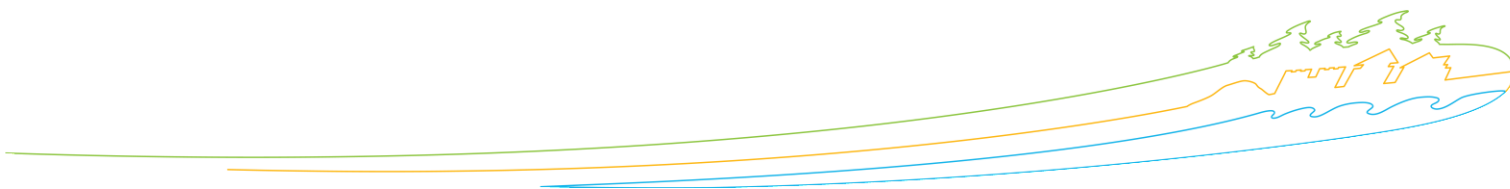




Parks  
Canada

Parcs  
Canada



# Evaluation of Parks Canada's Townsite Management Sub- Program

Final Report  
Office of Internal Audit and Evaluation

Report submitted to the Parks Canada Evaluation Committee: 11 January 2017  
Approved by the Agency CEO: 12 May 2017

Her Majesty the Queen in Right of Canada, represented by  
the Chief Executive Officer of Parks Canada, 2017  
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## EXECUTIVE SUMMARY

The Townsite Management sub-program of the Parks Canada's Program Alignment Architecture (PAA) accounts for 1% of the Agency's total annual expenditures. It involves the provision of municipal services and the management of related infrastructure to support residents and visitors in the five townsites managed by Parks Canada. This is directly linked to the expected result of the Program Activity 5 to improve the condition of its assets. The evaluation of this sub-program was identified as a commitment in the Agency's Evaluation Plans and is required to meet the Agency's commitment under the Treasury Board *Policy on Evaluation* (2009) to evaluate all direct program spending over a five-year period.

## EVALUATION ISSUES

Consistent with the requirement of the Treasury Board (TB) *Policy on Evaluation* and associated directives (2009), the evaluation addressed:

- **Relevance:** To what extent is there a continued need for the sub-program? To what extent is the sub-program aligned with government and Agency priorities? To what extent is the sub-program aligned with federal roles and responsibilities?
- **Performance:** To what extent are expected outcomes for provision of municipal services being met? To what extent is there progress towards expected outcomes for contemporary infrastructure? To what extent is there progress towards expected outcomes for priority heritage buildings? To what extent is the sub-program efficient and economical? To what extent are roles, responsibilities and accountabilities for sub-program delivery clear and effective?

## METHODOLOGY

Data from multiple lines of evidence was collected for the evaluation. These included: document and file review (including analysis of a variety of secondary data in the Agency); interviews with Agency staff; a stakeholder survey; and site visits to six of the townsites (i.e., all townsites except Jasper).

## FINDINGS

### Relevance

We found that the Townsite Management sub-program is relevant. While the Agency does not consider the provision of municipal services to be part of its core mandate, basic services are required to support the health and safety of both townsite residents and visitors. Further, the sub-program is aligned to both Government of Canada and Parks Canada Agency priorities, and is consistent with the Agency's roles and responsibilities under legislation and policy.

### Performance

Overall, we found that Parks Canada is making progress towards expected results for the Townsite Management sub-program. Specific results vary by activity. These are further described below.

- **Community Planning:** Community plans consistent with legislated requirements have been developed for all seven townsites. While all have at some point been reviewed, the extent to which

they remain relevant is difficult to determine. Few detailed analyses of progress in implementing the plans have been completed since 2006-2007. While the Agency has recognized a need to reassess its *Process for Reviewing Community Plans* (2005), it has not yet committed to a path forward. Further, the Agency's expectations need to be clarified around the demonstration of no net negative environmental impact.

- **Management of Commercial Growth:** Commercial growth is effectively controlled. No townsite currently exceeds its legislated commercial footprint.
- **Provision of Municipal Services:** Municipal services are effectively designed to service the current and future needs of residents and visitors. We found that Parks Canada has consistently met drinking water quality standards. Based on an annual average, available data also suggests that sewage effluent from wastewater systems in all townsites has complied with requirements of the Wastewater Systems Effluent Regulations. Standards related to solid waste management and road maintenance vary by townsite. While these services are provided, there is no readily available data to indicate the extent to which related standards have been met.
- **Asset Management:** Data suggests that the overall condition of townsite assets has been maintained or improved since 2010. This is the result of numerous infrastructure projects that have been undertaken during this period, with more projects planned or in progress. However, about 30% of contemporary townsite assets and at least 12% of relevant cultural assets are reported to still be in poor or very poor condition. It is too soon to determine the extent to which the Agency is on track to address all deferred infrastructure work by March 2020. The Asset Management Directorate is aware of inconsistencies in the data required to effectively track progress against this commitment and is working towards reconciliation of the data.

Financial data suggests that there may be a gap between the Agency's expenditures on municipal services and revenues collected. While Parks Canada has long recognized that it is not achieving its objectives for cost-recovery in this area, a lack of clarity surrounding cost-recovery targets and weaknesses in accounting practices prevented the evaluation from estimating the extent of the gap. While there are some barriers to cost-recovery that are outside the direct control of the Agency (e.g., amendments to fee structures), there may be opportunities to make greater use of available management flexibilities to increase efficiency of the Townsite Management sub-program.

Lastly, we found that the sub-program has a general lack of identity and central direction within the Agency. Many expressed the view that the nature of townsites, their various roles and obligations, and their potential value to the Agency are not clearly understood or appreciated. Over the period under evaluation, this resulted in a lack of coordination that would ensure consistency in the delivery and costing of townsite services and, in some cases, friction with residents. It is too soon to assess the extent to which these gaps will be resolved by Parks Canada's new organizational structure (April 2016).

## RECOMMENDATIONS

In 2000, the *Canada National Parks Act* was amended to add a requirement for community plans. These have since been developed, reviewed and amended as required. However, we noted the most recently updated plans both required several years to complete the review process. The longer community plans go without review and/or update, the higher the risk that they will become inconsistent with current objectives for the community or national park. While the Agency has recognized a need to reassess its *Process for Reviewing Community Plans* (2005), it has not yet committed to a path forward. This process could apply lessons learned from steps the Agency has taken to streamline the approach to management planning across its systems of protected heritage areas.

**Recommendation 1.** The Vice-President, Strategic Policy and Investment should assess its process to review community plans to ensure that it is efficient and meets the needs of Parks Canada's townsites and the national parks in which they are located.

**Management Response.** Agreed. A discussion regarding vision and objectives for townsites including the processes for reviewing and updating community plans to align with the vision and with the Directive on Management planning will be completed by March 31, 2018.

The amendment to the *Canada National Parks Act* (2000) also introduced a specific requirement for community plans to be consistent with several principles, including that of no net negative environmental impact (NNNEI). We found that community plans do address this requirement by committing to develop and implement frameworks for monitoring NNNEI. However, while townsites regularly undertake numerous activities in support of this principle, a lack of consolidated monitoring data makes it unclear how townsites are able to assess its application.

**Recommendation 2.** The Vice-President, Protected Area Establishment and Conservation should review and update its direction on the no net negative environmental impact principle, including for the development and implementation of townsites' no net negative environmental impact frameworks.

**Management Response.** Agreed. The Protected Areas Establishment and Conservation Directorate will work with townsites to clarify the no net negative environmental impact principle and develop a pragmatic approach to implementation, monitoring and reporting. Target: 2019-2020.

While we found that sewage effluent from wastewater systems in townsites generally complies with required limits, methods used to measure achievement of related targets are not clear. The PCA Standard for Wastewater Systems and Effluent Quality (currently in draft) is expected to clarify the Agency's requirements for all wastewater systems (including but not limited to those in townsites) and the thresholds that must be met. In the interim, the sub-program's revised performance indicator (PMF 2016-17) targets "releases within regulatory limits". This could in principle: exclude two of the five relevant townsites that are not subject to the concentration limits imposed by the Wastewater Systems Effluent Regulations; and lower the expectations to be met in some locations where, to protect the ecological integrity of the national park, targets are more stringent than those required by regulation.

**Recommendation 3.** The Vice-President, Strategic Policy and Investment should review corporate performance targets with respect to wastewater systems to ensure that they are clear and measurable for each townsite. Revised metrics should be integrated as relevant into the development of Parks Canada's new Agency Results Framework (expected to be approved by November 2017).

**Management Response.** Agreed. Corporate performance targets with respect to wastewater systems will be clarified and integrated into the new Agency Results Framework, where appropriate, by November 1, 2017.

Overall, we found that there is a need to improve central direction for the Townsite Management sub-program. While the Agency has established a Townsite Executive Board with responsibility for strategic policy and direction, this Board did not meet regularly over the period under evaluation. In its absence, a

lack of coordination that would ensure consistency in the delivery of townsite services across the Agency was observed. Ensuring consistency does not require that the same standard or practice be applied in all townsites but rather that decision-making ensures that municipal service expectations are clear and defensible to users and stakeholders. Since December 2015, the Board reconvened with objectives focused on developing a community of practice to discuss common issues and share best practices, as well as improving the corporate understanding of townsite operations and challenges. We encourage this progress to continue. Particularly in light of recent changes in Parks Canada's organizational structure:

**Recommendation 4.** The Senior Vice-President, Operations should review and formalize the governance and accountability structure for the Townsite Management sub-program to ensure consistency in the delivery of townsite services across the Agency.

**Management Response.** Agreed. The new Agency governance structure places responsibility for the sub-program with the Senior Vice-President, Operations. The Townsites Executive Board terms of reference will be approved by March 31, 2018.

The majority of Parks Canada's expenditures directed to the provision of townsite services are intended to be cost-recovered. The extent of the gap is difficult to quantify given available data. The lack of clear and consistent costing of townsite services has been a long-standing issue for the Agency.

**Recommendation 5.** The Senior Vice-President, Operations should review existing accounting practices for cost allocation and recovery and develop a clear and consistent approach to costing of municipal services delivered by Parks Canada to enable the Agency to better quantify expected cost-recovery related to municipal services in townsites.

**Management Response.** Agreed. In consultation with the Chief Financial Officer, the Senior Vice-President will engage a consultant to develop a costing framework. The costing framework will be developed by December 31, 2018.

## 1. INTRODUCTION

Parks Canada's mandate is to:

“Protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.”

PCA carries out its mandate through five programs and nineteen sub-programs (See Appendix A for the Program Alignment Architecture, PAA). This evaluation focuses on the Townsite Management sub-program of the PAA. The sub-program does not represent a significant expenditure by the Agency; on average, it accounted for an estimated 1% of the Agency's total annual expenditures over the five year period under evaluation. It was selected for evaluation as part of the Agency's commitment under the Treasury Board *Policy on Evaluation* (2009) to evaluate all direct program spending over a five-year period. The Townsite Management sub-program has not been subject to previous comprehensive evaluation work in the Agency.

## 2. DESCRIPTION OF TOWNSITE MANAGEMENT SUB-PROGRAM

There are seven townsite communities in national parks, all located in western Canada. These include Banff and Lake Louise (Banff NP), Jasper (Jasper NP), Field (Yoho NP), Wasagaming (Riding Mountain NP), Waskesiu (Prince Albert NP), and Waterton (Waterton Lakes NP). Banff and Jasper are incorporated, self-governed municipalities but Parks Canada maintains some control over municipal planning in these areas. The other five townsites are directly managed by the Agency.

The Townsite Management sub-program involves community planning and management of commercial growth in all seven townsites (e.g., land management and administration of business licenses), and provision of municipal services and related infrastructure (e.g., water and sewage treatment, garbage disposal, road maintenance, and other services) in the five townsites directly managed by Parks Canada.<sup>1</sup> Stakeholder relations are critical to the realisation of these activities. For the purpose of the evaluation, we also looked at the Agency's commitments regarding the conservation of priority heritage buildings within townsites.<sup>2</sup>

### 2.1 EXPECTED RESULTS AND TARGETS

Parks Canada has identified expected results and targets for the sub-program in its Performance Management Framework (PMF). The evolution of these expectations is shown in Table 1 below.

Since 2009-10, the PA5 performance expectation for townsites has aimed at maintaining and/or improving the condition of a certain percentage of contemporary infrastructure. The current condition target for both the program and sub-program stems from an ongoing investment program to address the backlog of capital and maintenance requirements related to townsite infrastructure (including water and sewer, roads and sidewalks) to maintain levels of service and mitigate safety risks.

<sup>1</sup> While not referenced in the PAA sub-program description, community planning and management of commercial growth are included in the financial coding for Townsite Management.

<sup>2</sup> This commitment was part of the National Parks Conservation sub-program in the PAA.



The sub-program also has performance expectations related to the provision of municipal services. From 2009-10 to 2013-14, this focused on targets for limiting commercial growth and for sewage effluent quality. In the PMF 2014-15, the expected result was broadened to include all municipal services while the indicator was revised to focus on drinking water and sewage effluent. For 2016-17, the Agency has again amended its targets for drinking water and sewage effluent (e.g., to align to regulatory requirements) but the focus remains on meeting regulatory limits and quality standards.

Note that while expected results for municipal services refer to government standards, the specific standards to be applied across municipal services are not all specified in the PMF. For the purposes of this evaluation, we aligned our expectations with relevant standards as indicated by program staff and supporting documentation. These are identified in the report in relation to relevant findings.

**Table 1. Corporate Performance Expectations for Townsite Management, 2009-10 to 2016-17**

Outcome	Fiscal Year(s)	Expected Result	Performance Expectation(s)
<b>Asset Management</b>	Current Target (2015-16 to 2016-17)	Condition of townsite assets in poor or very poor condition is improved to fair or good.	Percentage of assets assessed to be in poor or very poor condition that have improved to fair or good. <b>Target:</b> 100% by March 2020
	Previous Target (2014-15)	Condition of contemporary infrastructure in poor condition is improved.	Percentage of assets in poor condition that have improved. <b>Target:</b> 10% by March 2016
	Previous Target (2013-14)	Condition of contemporary infrastructure for townsites is maintained or improved.	The condition rating of 75% of townsite contemporary assets is maintained and the condition rating of 10% of assets rated as poor or fair in March 2010 is improved by March 2015.
	Previous Target (2009-10 to 2012-13)		The condition of 75% of townsite contemporary assets is maintained by March 2013.
			The condition of 25% of townsite contemporary assets rated as poor or fair is improved by March 2013.
<b>Management of Municipal Services</b>	Current Target (2016-17)	Five townsites operated by Parks Canada receive municipal services according to government standards.	Percentage of days drinking water is fit for human consumption. <b>Target:</b> 100% (annually).
			Percentage of wastewater systems for which releases are within regulatory limits. <b>Target:</b> 100% (annually).
	Previous Target (2014-15 to 2015-16)		Percentage of drinking water and sewage effluent samples that meet quality standards. <b>Target:</b> 100% (annually)
	Previous Target (2009-10 to 2013-14)	Townsite targets for growth and sewage effluent quality are met.	100% of townsite targets for legislated limits to growth and for sewage effluent quality are met.

Source: PCA Performance Management Frameworks, 2009-10 to 2016-17

From 2009-10 to 2013-14, the Agency's PMF also included a performance expectation for townsites under the National Parks Conservation sub-program, i.e., that the condition of priority heritage buildings

administered by Parks Canada in townsites is maintained or improved.<sup>3</sup> The target for this was that 100% of townsite priority heritage building conservation targets are met. This target applied to 52 priority heritage buildings owned by Parks Canada within its seven townsites, including Banff and Jasper.

The Agency has reported its performance against the expected result for the program and (since 2012-13) the sub-program in its annual Departmental Performance Report (DPR).

## **2.2 ACTIVITIES AND OUTPUTS**

Activities under the program can be generally grouped into four broad categories: (1) community planning; (2) management of commercial growth; (3) provision of municipal services; and (4) asset management. These activities are as described below.

The park communities vary significantly in size, population, and seasonality (see Appendix B). As a consequence, the complexity and extent of the activities and outputs varies between the townsites.

### **Community Planning**

The *Canada National Parks Act* (2000) requires each park community to have a community plan. These plans are critical for translating corporate policy and legislation into implementable results. Community plans for all townsites must be approved by the Minister and tabled in Parliament.

### **Management of Commercial Growth**

Commercial growth limits for each community are as prescribed by Schedule 4 to the *Canada National Parks Act* (2000) and are also required to be fixed in each townsite's community plan. Commercial use of lands within a commercial zone of a national park may not be authorized if the specified maximum commercial floor area would be exceeded as a result of that use.

The seven townsites contain varying levels of commercial activity. This includes businesses such as: commercial accommodations (e.g., large and small hotels, cottage rentals), gift shops, grocery stores, and restaurants and coffee shops. PCA manages commercial growth through activities such as business licencing, lease administration and building permit administration and development proposal review.

### **Provision of Municipal Services**

The Agency's provision of municipal services is relevant to the five townsite communities directly managed by Parks Canada. For example, these services include provision of drinking water, sewage and wastewater treatment, garbage pick-up and disposal, which are to be cost-recovered. Road maintenance and snow removal are also provided in all five townsites. In some townsites, by-law enforcement, fire services and emergency services are also provided to support residents and visitors.

Provision of municipal services also includes a number of administrative activities, such as:

- the negotiation, monitoring, enforcement, calculation and collection of fees for townsite cost-recovered municipal services;

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<sup>3</sup> 'Priority heritage buildings' are buildings within townsite limits designated by the Federal Heritage Bureau Review Office.

- stakeholder relations, i.e., the building of mutually beneficial relations with townsites' commercial and residential leaseholders; and
- the establishment and maintenance of townsite agreements (i.e., with local community groups, adjacent communities, etc.).

## Asset Management

In the context of this evaluation, asset management refers to the management of those assets within the boundaries of a townsite that the Agency owns and operates. There are two categories of these assets:

- 1) **Contemporary:** Assets required for provision of municipal services, such as wastewater systems and potable water treatment facilities (i.e., assets coded to PA5) and townsite roads. This excludes assets within townsites primarily designed to serve visitors or to support other national park management objectives (e.g., administrative buildings, visitor centres).<sup>4</sup>
- 2) **Cultural:** Priority heritage buildings, i.e., those designated as either "Classified" or "Recognized" federal heritage buildings (as defined in the Treasury Board *Policy on Management of Real Property*). These assets should be maintained consistent with the Agency's *Cultural Resource Management Policy* (2013) and the *Standards and Guidelines for the Conservation of Historic Places in Canada* (2010).

More details on the inventory of assets at townsites operated by PCA is found in section 4.2.5.

## 2.3 RESOURCES (INPUTS)

### 2.3.1. Expenditures and Revenue

The Townsite Management sub-program is funded through general appropriations. Since 2009-10, it has also been supported by special purpose funds intended to improve the condition of assets (e.g., Canada's Economic Action Plan and Federal Infrastructure Investment Program).

Expenditures on the Townsite Management sub-program across the seven townsites are estimated at an average \$9M per year for the period from 2010-11 to 2014-15, representing an estimated 1% of expenditures for the Agency as a whole. This excludes expenditures related to maintenance of priority heritage buildings which until 2014 were coded in such a way that they could not be isolated in the financial system for the purposes of this evaluation.

Several municipal services are cost-recovered (in whole or in part). Revenues related to these services averaged close to \$3.2 M per year over the period under evaluation.

Section 4.2.5 provides more details on expenditures and revenues related to Townsite Management.

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<sup>4</sup> In practice, assets located within townsites are multi-functional, serving both the townsite and the national park in an integrated manner. However, assets coded to other program activities are excluded from the scope of our evaluation in order to align analyses with PMF expected results for Townsite Management (see Table 1). The exception is townsite roads, which are included to the extent that financial coding for the Townsite Management sub-program includes the provision of road works.

### 2.3.2. Human Resources

The Agency's DPR 2014-15 reports 48 FTEs dedicated to the Townsite Management sub-program. The RPP for 2015-16 shows a planned 44 FTEs in 2015-16 and onwards. Details on the allocation of staff are presented in Sections 2.4 and 4.2.6.

## 2.4 ROLES AND RESPONSIBILITIES

As of April 2016, the responsibility for Townsite Management rests with the Senior Vice-President, Operations.<sup>5</sup> Over the period under evaluation, the Agency's PMF assigned functional responsibility for the Townsite Management sub-program to the Executive Director, Mountain Parks. The VP Operations, Western and Northern Canada was also accountable given the location of the townsites in western Canada and its supervisory role of Field Unit Superintendents (FUS).

For each of the five townsites managed by Parks Canada, FUS are accountable for all aspects of townsite operations. Each townsite also has a designated Townsite Manager, who works in collaboration with the rest of the field unit's management team and internal services (e.g., Realty and Administrative Services Branch) for community planning, to administer municipal services and as a form of landlord for townsite residents and businesses. Together, this management team provides input to ensure that the townsite continues to serve the broader interests of the national park.

The specific organizational model for the delivery of the Townsites Management sub-program differs by field unit. For example, Field and Lake Louise are grouped under one Townsite Manager; the Townsite Manager for Wasagaming also manages all other assets in the field unit. Each of Parks Canada's five townsites had between 2-7 FTEs dedicated to townsite administration and realty services.<sup>6</sup> Since 2012, several of these positions are now seasonal (0.80 FTE). Although specific FTEs are difficult to quantify, a separate complement of staff is generally responsible for the operation of the water and wastewater plants. The asset group is dedicated to the plowing, general road upkeep, and garbage collection of both the parks and the townsites.

The Townsites of Banff and Jasper became self-governing in 1990 and 2002, respectively. Since this time, these townsites manage their own municipal services. However, Parks Canada retains authority for planning in Banff and for planning and development in Jasper. The Field Unit Superintendents for these national parks are accountable for these activities.

## 2.5 REACH

The direct reach of the sub-program is the townsite residents and business operators. Depending on the townsite, in 2011 the population of year-round residents was estimated to range from about 10 people (Waskesiu) to more than 7,000 (Banff). However, the majority of residential leaseholders in most of these areas are seasonal (non-permanent) residents. These seasonal populations are significantly larger but specific numbers are difficult to confirm.

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<sup>5</sup> Parks Canada implemented significant organizational and structural changes in April 2016, including creation of this position. The Executive Director, Mountain Parks is now the Executive Director, Pacific and Mountain Parks. The position of VP Operations, Western and Northern Canada has been eliminated. The FUS accountability for townsites remains unchanged.

<sup>6</sup> The 7 FTEs are actually shared between two townsites, Field and Lake Louise. While not necessarily dedicated to Townsite Management, additional staff in National Office provide support to related realty and business licensing.

Each of the five townsites managed by Parks Canada has an advisory council and/or tenants' association to represent the interests of the community and provide advice to the FUS on issues of local concern. With the exception of Field, each of these townsites also has a formal Chamber of Commerce.

Townsites are also important staging areas for visitors to their host national parks. They are generally viewed as the vacation destination; sometimes the only national park experience visitors will have.

## 2.6 TOWNSITE MANAGEMENT SUB-PROGRAM LOGIC MODEL

The logic model showing the relationships between inputs (i.e., human resources and expenditures), activities, outputs and reach, and intermediate and long-term outcomes is presented in the following table. This logic model was developed for the purposes of this evaluation. It provides a visual summary of the sub-program description in line with the PAA.

**Table 2. Logic Model for Townsite Management Sub-Program from the PAA**

<b>Strategic Outcome:</b> Canadians have a strong sense of connection, through meaningful experiences, to their national parks, national historic sites and national marine conservation areas and these protected places are enjoyed in ways that leave them unimpaired for present and future generations.	
<b>Inputs</b>	<ul style="list-style-type: none"> <li>Financial Resources (approx. \$9M per year)</li> <li>Human Resources (approx. 35 FTE)</li> <li>Assets (contemporary municipal assets and priority heritage buildings)</li> </ul>
<b>PCA Activities</b>	<ul style="list-style-type: none"> <li>Community planning.</li> <li>Management of commercial growth (e.g. development review, lease administration, business licencing)</li> <li>Provision of municipal services, including environmental management.</li> <li>Asset management – contemporary and cultural resources.</li> </ul>
<b>PCA Outputs</b>	<ul style="list-style-type: none"> <li>Community plans.</li> <li>Municipal services (e.g., potable water, treated wastewater and sewer effluent).</li> <li>Maintenance of contemporary and cultural resources.</li> <li>Monitoring reports (e.g., asset condition, water quality, wastewater quality).</li> </ul>
<b>Reach</b>	<ul style="list-style-type: none"> <li>Townsite residents, business owners and visitors.</li> </ul>
<b>Immediate Outcomes</b>	<ul style="list-style-type: none"> <li>Townsite targets for limiting commercial growth are met.</li> <li>Townsites operated by Parks Canada receive municipal services according to government standards.</li> <li>Condition of contemporary infrastructure for townsites is maintained or improved.</li> <li>Condition of priority heritage buildings in townsites is maintained or improved.</li> </ul>
<b>Long-Term Outcome</b>	<ul style="list-style-type: none"> <li>Townsites are experienced in ways that leave the host national park unimpaired for the enjoyment of present and future generations.</li> </ul>

### 3. EVALUATION DESIGN

#### 3.1 EVALUATION PURPOSE AND SCOPE

The evaluation examined the relevance and performance (i.e., effectiveness, efficiency, and economy), of the Townsite Management sub-program, consistent with the requirements of the *TB Policy on Evaluation* and related directive (2009). It is also consistent with the requirements of the *TB Policy on Results* (2016).

The scope of the evaluation includes activities and results carried out by Parks Canada related to the management of contemporary assets and provision of municipal services (i.e., drinking water, sewage, road maintenance and solid waste management) in the five townsites administered by Parks Canada. It also includes activities and results related to legislated limits to growth and priority heritage buildings across all seven townsites. To a limited extent, the environmental impact of these municipal services and commercial growth is also considered.

The scope of the evaluation does not include other initiatives for environmental stewardship. In the context of townsites, this includes a broad range of related initiatives including but not limited to: environmental assessment, energy efficiency, contaminated sites, vegetation management, and human-wildlife interactions. Townsites' role in providing visitor services, some components of real property/realty services (land title research, realty systems maintenance, and policy interpretation) and staff housing are also excluded from the evaluation's scope.

This evaluation generally covers the period from 2009-10 to 2014-2015. Parks Canada Agency evaluation staff conducted field work for the evaluation between September 2014 and May 2015. However, additional relevant evidence continued to be gathered related to sub-program developments in 2016.

#### 3.2 APPROACH, METHODOLOGY AND LIMITATIONS

The evaluation addressed eight specific questions and 18 associated expectations related to issues of relevance and performance. The key questions are shown in Table 3. A more detailed matrix of evaluation questions, what we expected to observe, indicators and relevant data sources is found in Appendix C.

**Table 3. Evaluation Issues and Questions**

Relevance
To what extent is there a continued need for the sub-program?
To what extent is the sub-program aligned with government and Agency priorities?
To what extent is the sub-program aligned with federal roles and responsibilities?
Performance
To what extent are expected outcomes for provision of municipal services being met?
To what extent is there progress towards expected outcomes for contemporary infrastructure?
To what extent is there progress towards expected outcomes for priority heritage buildings?
Efficiency and Economy
To what extent is the sub-program efficient and economical?
To what extent are roles, responsibilities and accountabilities for sub-program delivery clear and effective?

### 3.2.1. Methods

The evaluation employed multiple methods of data collection.

**Document and File Review:** A wide range of publicly available documents was reviewed for the evaluation, including legislation, policies, plans, reports and published literature (see Appendix D). Agency files and databases (e.g., financial data) were also reviewed.

**Key Informant Interviews:** Key informant interviews were conducted with over 30 PCA staff and senior managers. This included staff from all seven townsites, from a variety of functions (Townsite, Asset, Visitor Experience, Resource Conservation, Finance). Additionally, some interviews were conducted with staff and senior management in National Office. The majority of interviews were conducted in person while carrying out site visits.

**Comparative Analysis.** The evaluation examined comparative data on the practices and performance of all five townsites managed by Parks Canada to internally benchmark best practices and standards. In addition, we looked at municipal performance management indicators and data from the three most relevant provincial systems (i.e., British Columbia, Alberta and Manitoba), along with a sample of municipalities within those systems.

**Stakeholder Survey.** A survey was administered to obtain perspectives from members of key stakeholder groups in the five PCA-administered townsites on the responsiveness of the program, quality of service, and areas for improvement. Rather than directly survey townsite residents, the survey's sample included lead representatives from key stakeholder groups within the community (e.g., Advisory Boards, Community Councils, Chambers of Commerce, Tenants' Associations, etc.). The survey was sent to 36 individuals from 21 organizations. In total, 22 respondents completed the survey (i.e., response rate of 61%).

**Site visit.** Between February and April 2015, the evaluation team conducted site visits to six of the townsites (i.e., all townsites except Jasper). The purpose of these site visits was to complete an in-depth analysis of townsite programs by meeting staff delivering aspects of the townsite sub-program and to gather qualitative information on performance.

### 3.2.2. Strengths, Limitations and Mitigation Strategies

A strength of this evaluation was the fact that we visited and met with key informants (PCA staff) for all five townsites administered by Parks Canada, as well as key national office staff.

Stakeholder perspectives were collected through a survey administered to key stakeholder groups in each of the five PCA-administered townsites. Given the good response rate, we consider the full range of stakeholders' opinions to be represented. However, there may be some bias in this data. For example, our sample only included surveyed groups and respondents recommended by program staff. In addition, while we expected respondents to answer in their professional capacity (i.e., providing the perspectives of the organization(s) they represent rather than their personal opinion), we cannot confirm the extent to which this was done.

The Agency is currently transitioning its asset data to a new asset management system (Maximo). Full implementation of the system was to be completed by March 2016 with ongoing data validation to be

completed in June 2016. The evaluation team's access to this data was therefore limited. Data reliability of the new asset system has also not yet been tested.

Review of expenditures on assets is further complicated by differences in the inventory of assets in Maximo and STAR. The protocol for mapping assets to programs and sub-programs used by Asset Management Directorate differs from the one used by Finance. As a result, expenditures coded to the sub-program in STAR are unlikely to directly correlate with assets contributing to Townsite Management in Maximo.

There were also challenges in finding reasonable benchmarks for townsites, particularly given the unique environment in which Parks Canada's townsites operate. It was also difficult to compare the information in different jurisdictions given the variety of ways the information is collected, organized and presented.



## 4. EVALUATION FINDINGS

### 4.1 RELEVANCE

Parks Canada's seven townsites reflect the historical context of their related parks. The townsites were all established at or around the time the parks were created, between 1885 and 1930. The primary role of these townsites was to facilitate early visitation to the parks, either as a stop on a transcontinental railway or as a summer cottage retreat.

Since that time, Parks Canada has continued to emphasize the role of townsites as a facilitator and enhancer of visitor experience while simultaneously seeking to control and limit development within existing townsites and prohibit the development of new townsites.

On the one hand, various studies over the last twenty years have shown that between 75% to 98% of visitors to national parks with a townsite include a least one stop in the townsite area (i.e., representing millions of person-visits per year).<sup>7</sup> There is evidence that in some cases the townsite is the primary focus of the visitor experience. For example, a 2009 survey found that 41% of visitors to Riding Mountain National Park focused on Wasagaming rather than the park. Townsites are also currently viewed as being well-positioned to attract key target markets (e.g., 'New Canadians') that are less comfortable spending time in wilderness areas. Similarly, townsites provide an opportunity to promote environmental education and stewardship in the national parks for visitors and a focal point to allow visitors to experience co-located National Historic Sites.

On the other hand, since at least 1964 (National Parks Policy), townsites have been characterised as "...an intrusion and should be permitted to develop in a park only if, by reason of the services it provides, the visitor is better able to enjoy the park for what it is. [...]". Subsequently, the National Parks Policy (1994) required that no new communities be developed within national parks. This latter restriction is reflected in *Canada National Parks Act* (2000, S. 16(4)).

#### 4.1.1. Relevance: Continued Need for the Sub-Program

Expectations	Indicators
<ul style="list-style-type: none"> <li>The sub-program addresses a continued identified need.</li> <li>The sub-program is responsive to the needs of residents and visitors.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of a continued need for the sub-program.</li> <li>Evidence of sub-program responsiveness.</li> </ul>

The Agency's rationale for creating the Townsite Management sub-program in the PAA was to isolate the activities and costs for the provision of municipal services and the management of related infrastructure to support the five townsites that the Agency operates. These were not considered to be part of its core mandate but rather reflected legal responsibilities of the Agency.<sup>8</sup>

<sup>7</sup> See list of studies referenced in Appendix D, Key Documents.

<sup>8</sup> A similar approach was applied for the other sub-programs of Program Activity 5 (i.e., Highway Management and Heritage Canal Management); these activities are not perceived to be part of the Agency's core mandate.

Municipal services include drinking water, sewage treatment, road maintenance, snow removal, and garbage pick-up and disposal (i.e., the necessary services that accord with the purposes of the park in which the townsite is located). The absence of these basic services could result in potentially significant health, safety and legal risks. With exception of infrastructure and services that serve the interests of park visitors, Parks Canada does not provide additional municipal services (e.g., libraries, community centres, etc.) available to most (non-park) municipalities.<sup>9</sup>

Given the Agency's obligations to provide basic municipal services within the townsites it operates, it is reasonable to continue to have the sub-program as part of the PAA.

#### 4.1.1.1. Perspectives on Agency Responsiveness

The TB *Policy on Evaluation* requires every evaluation to assess whether the sub-program is responsive to the needs of Canadians. In addition to direct feedback (e.g., comment cards and staff interactions), staff noted that advisory board and community council structures act as a key in-house mechanism for providing feedback on resident and visitor satisfaction with municipal services.

The evaluation's survey asked representatives from these organizations to rate the Agency's responsiveness to the needs of residents. While the majority of respondents (77%) reported that the Agency was at least moderately responsive, 86% believed that there were areas for improvement and 90% indicated they believe there are opportunities to increase efficient use of resources in the townsites. Additional feedback provided indicated that concerns mostly related to: perceived deficiencies in the maintenance of townsite infrastructure (e.g., roads, trails and visitor facilities);<sup>10</sup> an excess of red tape and administrative delays in project approvals; and the inaccessibility of some municipal services on weekends and in the shoulder/winter season. Parks Canada staff also noted that recent budget reductions had some impact on the delivery of services in townsites (e.g., reduced schedule for winter plowing).

#### 4.1.2. Relevance: Alignment to Government and Agency Priorities

Expectations	Indicators
<ul style="list-style-type: none"> <li>Sub-program objectives align with Government of Canada priorities.</li> <li>Sub-program objectives align with Agency priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which sub-program aligns with GOC Whole of Government Framework.</li> <li>Degree to which the sub-program aligns with Agency priorities.</li> </ul>

As noted, the activities and costs for the provision of municipal services and the management of related infrastructure to support the five townsites associated with Townsite Management are not considered part of the Agency's core mandate. However, the Townsite Management sub-program is directly linked to two key corporate priorities identified in Parks Canada's 2015-16 Report on Plans and Priorities:

<sup>9</sup> References to what kinds of services to provide are set out in the 1964 National Parks Policy. Local residents and businesses contribute financial and in-kind resources to the townsites to improve their condition for both the community and the townsite.

<sup>10</sup> With the possible exception of roads, facilities noted are not considered townsite management assets as per the sub-program definition and do not impact on municipal services.

- Strategic asset portfolio management. New funding was recently announced to manage the portfolio and address the backlog of deferred work. An estimated \$40M of the funding envelope is targeted at townsite infrastructure.
- Increase visitation and revenue. Townsites make significant contributions to both visitation and revenues in their host national parks.

The Townsite Management sub-program is also consistent with priorities in the federal government's Whole of Government Framework (i.e., high-level outcome areas defined for the government as a whole). The municipal services provided by the sub-program (e.g., potable water and wastewater systems) can be tied to the outcome area of "a safe and secure Canada". To the extent that the provision of these services respects standards for effluent quality and the principle of no net environmental impact, the sub-program is also tied to the outcome of "a clean and healthy environment". Lastly, the management of priority heritage buildings is tied to "a vibrant Canadian culture and heritage".

#### 4.1.3. Relevance: Alignment to Federal Roles and Responsibilities

Question 3	Indicators
<ul style="list-style-type: none"> <li>• The sub-program is clearly aligned with PCA's legislative and policy mandate.</li> </ul>	<ul style="list-style-type: none"> <li>• Federal legislation, policies and directives indicate relevant roles and responsibilities.</li> <li>• PCA mandate, policies and directives indicate relevant roles and responsibilities.</li> </ul>

Under the *Constitution Act*, municipal institutions are normally the responsibility of provincial governments. Activities related to the Townsite Management sub-program are therefore generally not found at the federal level. However, requirements for "park communities" (i.e., townsites) are outlined in the *Canada National Parks Act* (2000) and related regulations. Section 9 of the Act explicitly prohibits local government bodies from exercising powers in relation to land use planning and development in park communities. The exception is for the Town of Banff which has been transferred local government functions (s. 35) in 1990.

Under Section 16 of the *Canada National Parks Act*, the Minister can make regulations respecting "the establishment, operation, maintenance and administration of works and services of a public character". The regulations that have a specific role in the Townsite Management sub-program include:<sup>11</sup>

- National Parks of Canada Business Regulations
- National Parks of Canada Garbage Regulations
- National Parks of Canada General Regulations
- National Parks of Canada Lease and License of Occupation
- National Parks of Canada Water and Sewer Regulations
- National Parks of Canada Cottage Regulations
- National Parks Town, Visitor Centre and Resort Subdivision Designation Regulations
- Town of Jasper Zoning Regulations.

<sup>11</sup> Program managers indicated that some of these regulations are outdated (e.g., Garbage Regulations do not address recycling). A more detailed regulatory review was outside the scope of the evaluation.

Activity policies for national park communities, land tenure and residency are also contained within the National Parks Policy (1994). Provisions for the management of townsites are also included in each relevant host park's National Park Management Plan and individual townsites' Community Plan.

These regulations, policies and related standards and guidelines are aligned to the primary objective of national parks – to maintain the ecological integrity of the parks. The Agency's standards for municipal services (e.g., sewage and wastewater effluent, road salting, land development) generally meet or exceed industry standards for environmental protection. This is also in line with the no net negative environmental impact principle for park communities outlined in the *Canada National Parks Act*.

## 4.2 PERFORMANCE

### 4.2.1. Community Planning

Expectation	Indicators
<ul style="list-style-type: none"> <li>Each townsite (n=7) has an approved community plan consistent with the requirements under the <i>Canada National Parks Act</i> (s.33).</li> </ul>	<ul style="list-style-type: none"> <li>Each townsite has developed and updated a community plan, as deemed necessary.</li> <li>Evidence that community plan in each townsite is consistent with requirements of <i>Canada National Parks Act</i>.</li> </ul>

As per amendments to the *Canada National Parks Act* introduced in 2000, each park community must have a community plan that:

- is consistent with the management plan of the park in which the community is located;
- accords to guidelines established by the Minister for appropriate activities within the park community;<sup>12</sup>
- provides a strategy for the management of growth within the park community; and
- is consistent with the principles of (i) no net negative environmental impact (NNNEI) and (ii) responsible environmental stewardship and heritage conservation.

We expected to find that community plans exist and are consistent with these requirements.

#### **Community plans have been developed but some may need to be reviewed.**

From 1998 to 2001, all seven townsites established community plans as required by the Act (Table 4).

<sup>12</sup> To date, the Minister has not established specific guidelines for appropriate activities within park communities. As such, we did not evaluate this criteria. However, we note that there are regulations and Agency policies, directives and guidelines to guide appropriate use and development within townsites.

Table 4. Status of Townsite Community Plans

Townsite	Community Plan			Current Park Management Plan
	Original Plan (under CNPA)	Last Plan Update	Last Plan Review	
Field	1999	2010	2010	2010
Lake Louise	2001	--	2008 <sup>a</sup>	2010
Waskesiu	2000	2015	2010	2008
Wasagaming	2000	2015	2011	2007
Waterton	2000	--	2011 <sup>a</sup>	2010
Jasper <sup>b</sup>	2001	2011	2011	2010
Banff <sup>b</sup>	1998	2010	2008	2010
<b>Notes:</b> a – Plan was reviewed but no amendments were deemed necessary. b - Joint planning document with incorporated municipality.				

The Act does not explicitly require that community plans be updated but does require that they remain consistent with their host national park's management plan (now updated at least every 10 years). While there is no formal guide for preparing community plans, the *Process for Reviewing Community Plans* was approved in 2005. Rather than set a schedule, the process gives the relevant Field Unit Superintendent discretion to determine when updates to the community plan are required.

All community plans have since been reviewed and amended as deemed necessary. However, the extent to which they remain relevant is difficult to determine. While each responsible Field Unit Superintendent asserted that their community plan is still current, few detailed analyses of progress in implementing the plans have been completed since State of Community Reports were first produced in 2006-2007.<sup>13</sup> The plans for Waterton and Lake Louise have not been updated since 2000-2001. The longer community plans go without review and/or update, the higher the risk that they will become inconsistent with the more recent park management plan.

Further, we noted the most recently updated plans (i.e., Waskesiu and Wasagaming) both required several years to complete the review process (i.e., close to five years from initiation of review to final tabling in Parliament), including several months of community consultation. Parks Canada is not in control of the timing for all steps in the process (e.g., Ministerial approval). While the Agency has recognized a need to reassess its *Process for Reviewing Community Plans* (2005), it has not yet committed to a path forward. This process could apply lessons learned from steps taken to reduce the burden of management planning in other areas (e.g., streamlining of the format of management plans for national parks and national historic sites).

### **Community plans provide a strategy for the management of growth and heritage conservation within the park community.**

As required by the Act, each community plan provides a clear strategy for the management of growth within the park community so as not to impact the ecology of the surrounding national park. The effectiveness of these strategies is further discussed in section 4.2.2.

<sup>13</sup> In 2005-06, Parks Canada approved a monitoring framework for community plans including indicators for the ecological, cultural, economic and social health of the community. Related monitoring data was to be collected and used to create periodic State of Community Reports (SOCR) as part of the process to review community plans. All townsites produced a SOCR in 2006-07. One townsite (i.e., Waterton) completed a State of Community Report in 2011.

Similarly, all community plans are consistent with the principle of heritage conservation. They focus on the preservation of priority heritage buildings representative of the community's distinctive character and ensuring that new development is compatible in design and quality with existing neighbourhoods. The effectiveness of commitments to protect heritage structures is further discussed in section 4.2.4.2.

**More could be done to demonstrate adherence to principles of no net negative environmental impact and environmental stewardship.**

The *Canada National Parks Act* requires communities to respect the principles of (i) no net negative environmental impact (NNNEI) and (ii) responsible environmental stewardship but does not otherwise provide a definition of these concepts.

In 2002, the Agency defined the NNNEI principle to mean that wildlife, plants, water, air, soil and the processes that connect them will be no worse off tomorrow than they are today.<sup>14</sup> The principle is focused on the cumulative impact of development and operations within park communities. Similarly, the Agency has stated that its leadership in environmental stewardship will be demonstrated by park communities' application of model environmental management systems. Both principles are to be used as a tool to minimize effects of communities on adjacent park lands and the ecological integrity of the national park.

We found that all community plans discuss the principles of NNNEI and environmental stewardship, including commitments by each townsite to develop its own monitoring framework for measuring NNNEI.<sup>15</sup> In 2004, an internal *Review of the Status of Parks Communities NNNEI Frameworks* found that most communities had begun a process to develop these frameworks.<sup>16</sup> However, the evaluation was not provided with any completed, approved frameworks. In interviews, it was clear that the concept is no longer central to staff's thinking about the management of townsites. Rather, staff indicated that the focus on monitoring environmental impacts has since largely shifted to ecological integrity monitoring programs within the national parks as a whole.<sup>17</sup> This is not to say that environmental considerations are absent from townsite planning and activities. For example, commercial growth, sewage effluent, and solid waste diversion (discussed in later sections) continues to be monitored and considered in decision-making. Further, townsites continue to conduct environmental assessments of various projects and implement mitigation measures where required.

To date, the only reporting on these principles has been through the State of Community Reports (most in 2006-07). These reports used a common framework for reporting on NNNEI and environmental stewardship shown in the table below.

<sup>14</sup> Guidelines for the No Net Negative Environmental Impact principle; John Snell et al., 2002.

<sup>15</sup> Rather than a unified framework for referring to NNNEI, the plans reference a range of overlapping concepts including: leadership in environmental management (e.g., energy efficiency, solid waste diversion, mitigation of human-wildlife conflicts, etc.); respect for environmental assessment processes; and adherence to standards for appropriate development (including growth limits) and appropriate business activity.

<sup>16</sup> Parks Canada *Review of the Status of Parks Communities No Net Negative Environmental Impact Frameworks* (2004).

<sup>17</sup> We found only one indicator included in park-wide ecological integrity monitoring programs directly linked to a townsite - i.e., water quality in Clear Lake, as influenced by the Wasagaming townsite (Riding Mountain National Park).

**Table 5. Environmental Indicators in Community Monitoring Framework Template, 2005-06**

Indicator	Measures
Aquatics	Sewage effluent quality, surface water quality, water conservation
Vegetation	Non-native invasive species, community landscape composition
Wildlife	Human/wildlife encounters, trail proliferation, wildlife movement
Solid Waste Management	Percentage of diversion from landfill
Contaminated Sites	Number of sites and level of reclamation activity

This template framework did not include details on how indicators should be measured. In many cases, the townsite lacked data for specific indicators. In other cases, it is not clear what the data meant (e.g., data reported with no indication of trend data and/or targeted results). All reports contained intended actions to address deficiencies in data or results. None of the townsites reported an overall conclusion as to whether the NNNEI principle was being respected. Given available data, reports typically provided a mixed picture of results, i.e., some indicators were improving while others showed no change or deteriorating conditions or trends.

The *Canada National Parks Act* does not require monitoring or reporting against NNNEI or environmental stewardship initiatives. However, without consolidated monitoring data it is not clear how the communities are able to assess cumulative environmental effects or their significance for NNNEI.

#### 4.2.2. Management of Commercial Growth

Expectation	Indicators
<ul style="list-style-type: none"> <li>Each townsite (n=7) limits growth to its legislated maximum commercial floor area.</li> </ul>	<ul style="list-style-type: none"> <li>Actual vs. maximum commercial footprint.</li> </ul>

A wide range of commercial activities are permitted within townsites including provision of commercial accommodations (e.g., hotels, motels, and cabins), many types of retail operations (e.g., restaurants, shops, service stations) and service operations (e.g., entertainment venues). As of January 2016, there were 410 leases for commercial operations within the seven townsites, with 65% of these in the towns of Banff and Jasper.<sup>18</sup>

Parks Canada uses three key mechanisms to control commercial activity within townsites:

- 1) Limits to the amount of commercial floor space in each townsite as required by legislation.
- 2) Controls on the conditions under which development can proceed, as outlined in community plans and various land use directives.<sup>19</sup> Specific limits could include permitted uses, maximum floor area ratio on a given lot,<sup>20</sup> maximum building height, and yard setbacks. These controls are monitored through various mechanisms, including development and building permitting.
- 3) Issuance and renewal of business licenses.

<sup>18</sup> This likely underestimates the total number of individual business operating across townsites since an existing lease holder may sub-lease space to one or more other business tenants.

<sup>19</sup> While they vary among townsites, land use directives can be found in documents such as community plans, which describe elements such as land use districts, landscape strategies, and development guidelines.

<sup>20</sup> Floor area ratio is measured by dividing the total area of ground beneath a building by the lot area.

The table below shows the maximum available commercial floor area, and the amount used and available as of March 2015.

**Table 6. Use of Commercial Floor Area (as of March 31<sup>st</sup>, 2015)**

Name of Community	Legislated Maximum Commercial Floor Area (m <sup>2</sup> )	Used Commercial Floor Area (m <sup>2</sup> )	Available Commercial Floor Area (m <sup>2</sup> )	% Available Commercial Floor Area
Banff	361,390	360,564	826	0.23%
Jasper	118,222	115,692	2,530	2.14%
Lake Louise	96,848	94,195	2,653	2.74%
Waterton	36,518	35,726	792	2.17%
Waskesiu	34,575	26,607	7,968	23.05%
Wasagaming	28,586	23,073	5,513	19.29%
Field	5,055	2,025	3,030	59.94%

Source: Data on use of floor area provided by program staff at individual townsites.

We found that no townsite currently exceeds their legislated commercial footprint. Some townsites such as Banff are regularly at the limit of commercially available space. In this case, when space does become available, it is re-allocated through a lottery system.

We noted that there are currently challenges in the way development review is conducted. Any development process will typically go through two phases: 1) a development review; and 2) a building permit review. While existing regulations (i.e., *National Park Cottage Regulations* and *National Park Building Regulations*) provide clear direction for building permit reviews, the development review process varies across townsites.<sup>21</sup> The Agency is aware of these challenges and is currently reviewing its portfolio of development regulations.

#### 4.2.3. Municipal Services

Expectations	Indicators
<ul style="list-style-type: none"> <li>Each townsite meets the quality standards for drinking water and sewage effluent.</li> <li>Agency standards are met in delivering other townsite services (i.e., roads and garbage).</li> <li>Services delivered meet the needs of townsite residents.</li> </ul>	<ul style="list-style-type: none"> <li>Actual vs. targeted drinking water and sewage effluent quality (based on monitoring data).</li> <li>Evidence that standards are met in delivering other townsite services (i.e., roads and garbage).</li> <li>Residents indicate they are satisfied with services delivered.</li> </ul>

The Townsite Management sub-program has ongoing performance expectations focused on delivery of municipal services. We found that these performance expectations are in line with what can be found in other municipalities in Canada. From 2009-10 to 2013-14, PCA's performance expectation focused on targets for sewage effluent quality. In 2014-15, the expected result was broadened to include all municipal services while the indicator was revised to focus on drinking water and sewage effluent. While

<sup>21</sup> For Lake Louise and Field, the development review process is articulated through its 1999 Development Review Process for Banff, Yoho and Kootenay National Parks, with clear criteria and different screening processes depending on scope of project. The process also includes review by an Advisory Development Board. Direction for development review in Wasagaming and Waterton is provided through their community plans (i.e., appendices containing development guidelines). Waskesiu has stand-alone Land Use Directive and Cabin Development Guidelines.



the expectation focuses on the five townsites that Parks Canada administers, the towns of Banff and Jasper are still expected to meet these effluent targets.

Parks Canada's provision of these services is not unique to townsites. Where visitor facilities exist, to varying extents national parks, national historic sites, and national marine conservation areas also need to provide potable water, garbage collection, road maintenance and suitable wastewater treatment. For this reason, Parks Canada's policy framework for these activities is often set at the national level. However, townsites have more demanding requirements for these services because of the extent of their built assets and higher volume of use by both residents and visitors.

#### 4.2.3.1. Sewage Effluent

Expectations for sewage effluent quality evolved during the period under evaluation. For most of the period, all townsites were expected to adhere to *Guidelines for Effluent Quality and Wastewater Treatment at Federal Establishments* (1976). Effective June 2012, these voluntary guidelines were replaced by new *Wastewater Systems Effluent Regulations* (WSER). These regulations, established under the *Fisheries Act*, include mandatory minimum effluent quality standards and requirements for monitoring, record-keeping, and toxicity testing.<sup>22</sup> The WSER apply to all wastewater systems (i.e., municipal, provincial, and federal) that collect or are designed to collect an average daily volume of 100 m<sup>3</sup> of influent and that discharge into a water body as defined in the *Fisheries Act*.<sup>23</sup>

Given these criteria, the WSER are clearly applicable in six of the Agency's seven townsites. We were told that this regulation does not apply to the wastewater system in Waterton as its sewage effluent is not released in a water body but rather on the townsite's golf course. Data we have on file is insufficient to conclude whether the effluent in Waterton has a potential indirect (run-off) effect on water bodies protected under the *Fisheries Act*. In addition, we found that while Field is subject to the WSER given the design of its wastewater system, it is not required to meet the regulation's limits on concentrations of deleterious substances as its yearly average of daily influent is below the 100m<sup>3</sup> threshold (average of approx. 70 m<sup>3</sup>).

In 1998, Parks Canada also developed "Leadership Targets" for wastewater effluent in mountain parks in response to elevated nutrients levels, especially phosphorus, judged to be detrimental to the ecological health of the cold and nutrient-poor water in these areas. These targets emphasize control of nutrients recognized as key factors in changing aquatic ecosystems. Given their focus on ecological integrity, in most cases, these targets are more stringent than those in the new regulations. Leadership Targets have been integrated into National Park Management Plans and are expected to continue to be applied in Banff, Lake Louise, Jasper and Field.

Since 2012-13, the Agency's DPR has consistently reported that the townsites' targets for wastewater effluent quality were met in all five townsites operated by Parks Canada, i.e., 100% of sewage effluent samples met quality standards. The evaluation's ability to confirm this result was limited by two factors:

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<sup>22</sup> The WSER came into force in June 2012, following a phased implementation. The monitoring and reporting provisions in WSER came into effect on January 1, 2013. The regulation's limits on concentrations of deleterious substances came into effect on January 1, 2015.

<sup>23</sup> S. 36(3) of the *Fisheries Act* prohibits the deposit of deleterious substances of any type into water frequented by fish or in any place where the deleterious substance may enter any such water.

- Methods used to measure achievement of the target for the Agency's PMF are not clear. For example, in 2012-13, the Agency reported achieving 100% compliance on 25 effluent targets across the five townsites it operates but did not specify which parameters were specifically targeted. As noted, requirements have changed over time and continue to vary by townsite location.<sup>24</sup>
- There is no central repository for the Agency's effluent sampling results. Each townsite maintains a local data record; the format of data provided for the evaluation varied significantly among townsites.

The Agency is working to address these gaps. As of September 2016, the Agency was still drafting a new PCA Standard for Wastewater Systems and Effluent Quality. This is expected to include central reporting and data retention requirements, which should facilitate future data gathering and monitoring. Further, the standard is expected to clarify the Agency's requirements for all wastewater systems (including but not limited to those in townsites) and the thresholds that must be met. In the interim, the sub-program's revised performance indicator (PMF 2016-17) targets "releases within regulatory limits". This could in principle exclude two of the five relevant townsites and lowers the expectations to be met in Lake Louise and Field (as most regulatory limits are weaker than Leadership Targets).

Despite these challenges for performance measurement, available data suggests that sewage effluent samples do generally meet quality standards. Based on an annual average, sewage effluent from wastewater systems in all townsites has complied with requirements.<sup>25</sup> However, we note that results related to phosphorus (not regulated under WSER but included in the 1976 guidelines and PCA Leadership Targets) have been less consistent. Wasagaming, Field, Waterton, Banff and Jasper all exceeded their respective phosphorus targets at some point during the period under evaluation. In most cases, this is not a cause for concern. For Wasagaming, elevated levels in 2012 related to adjustments for a new wastewater system; the issue was since corrected. The elevated phosphorus levels in Field and Banff also appear to be a one-year occurrence (both in 2013). For Waterton, elevated phosphorus levels are continuous but as the townsite does not discharge into a water body, system managers noted no reactive measures are required. However, data indicates a continuous occurrence of elevated phosphorus effluent in Jasper. This should be a concern given the sensitivity of the aquatic environment that the Leadership Targets are designed to protect. Evaluators were not provided data to indicate what corrective actions, if any, the Agency has required of the municipality to address this concern.

#### 4.2.3.2. Drinking Water

All townsites follow the PCA Potable Water Guidelines and Standards (2006).<sup>26</sup> Potable water must meet specified targets on parameters such as residual chlorine, turbidity, *E. coli*, and total coliforms.

Since the Agency's PMF introduced a performance expectation to meet water quality standards (2014-15), there has been standardized corporate reporting on water quality monitoring results. From January

<sup>24</sup> The WSER target five parameters (i.e., suspended solids, biochemical oxygen demand, ammonia, chlorine and acute lethality), while the 1976 guidelines include nine parameters and the 1998 Leadership Targets include six parameters. See Appendix E for a detailed comparison. In the absence of other data, our analysis in this section assumes data reported since 2012-13 is referenced against the parameters included in the WSER.

<sup>25</sup> Available data indicates that there were at least eight individual occurrences where regulated effluent did not meet quality standards. These isolated samples are not a concern given the regulatory focus on annual averages.

<sup>26</sup> These standards also reference Health Canada's National Guidelines for Canadian Drinking Water Quality (updated 2014).

2013 to December 2014, there were only two reported occurrences where tests indicated a parameter was not met – staff explained that on both separate occurrences, new samples were taken and came back negative.<sup>27</sup> For any given year, thousands of different operational checks, microbiological samples and chemical tests are conducted to ensure compliance. Overall, this data indicates that Parks Canada has met its targets for drinking water, i.e., 100% of drinking water samples meet quality standards.

#### 4.2.3.3. Road Maintenance

According to the Agency's asset management system, Parks Canada maintains 104 roads within the boundaries of the five PCA-administered townsites, with assets coded to either Visitor Experience (PA4) or internal services. As discussed, these assets provide access to and within the townsite for townsite residents and visitors (i.e., to visitor and private facilities) and act as service roads for the Agency's access to administrative areas.

Under the Agency's draft Roadway Management Directive (2012), each of these townsite's levels of service/maintenance and design standards for roads are to be locally developed and recommended by stakeholder advisory councils and approved by Field Unit Superintendents (FUS) based on an assessment of usage, need and available resources.

We found that the road standards for Wasagaming, Waskesiu and Waterton are integrated into their host national park's road management policy; Field and Lake Louise fall under the road management policies of the Highway Operations Unit. In most cases, these policies are clear that highways are to be given service priority over townsite roads.<sup>28</sup> Beyond this, they generally provide limited details on the specific standards to be met for these smaller townsite arteries. While aligned with PCA's Winter Maintenance Guidelines, most of the related service standards are not prescriptive. Further, the Agency's draft Roadway Management Directive is not aligned with municipal or provincial levels of service. This creates situations where there is a municipal authority providing maintenance to one level (Banff) and PCA to different Level (Lake Louise) within one national park.

Program staff responsible for highway management indicated that these inconsistencies in service delivery result in friction with residents. In their view, townsites would benefit from a more defined service description, similar to those in place for similar-sized municipalities. The Agency's Highway Operations Unit is currently developing a Best Management Practice approach for the community of Field to provide clarity on service levels and expectations. This may have some application more broadly for townsite municipal service provision.

The evaluation's survey of partners and stakeholders found that close to 50% of respondents were dissatisfied with the general road maintenance provided by the Agency. Respondents in all townsites noted that roads were in need of repair and lacked investments in long-term maintenance. Of the roads identified in the Agency's asset management system, we found that 25% were reported to be in either poor or very poor condition. Evidence indicates that these concerns are being addressed; repairs to road surfaces are planned as part of the Agency's plans to address all deferred work (see section 4.2.4.1).

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<sup>27</sup> There are indications that these occurrences were the result of human error in sampling procedures.

<sup>28</sup> Highways in national parks include sections of the Trans Canada Highway and other national or provincially-numbered highways that pass through the park; these are given the highest priority under policy considering traffic speed/volume and risk.

#### 4.2.3.4. Solid Waste

*National Park of Canada Garbage Regulations* apply to all PCA townsites except Banff and Jasper. According to these regulations, all business owners and residents have to follow specific rules for handling garbage in townsites, including:

- Appropriately store garbage between collection times;
- Not deposit garbage on sidewalks or streets;
- Dispose of garbage in approved places;
- Not accumulate garbage unless permitted; and
- Pay appropriate fees.

However, as the regulations give each FUS discretion to determine where and when the collection of garbage should take place, the specific approach to management of solid waste varies by townsite. For example, while most offer curbside garbage collection, people in the cabin areas of Waskesiu and Wasagamung are required to dispose of garbage in designated areas containing large bins. In all five PCA-administered townsites, recycling materials are also delivered by residents to designated areas. Collection schedules vary significantly, with frequency determined by volume (e.g., more frequent pickups in the busy summer months). In all cases, wastes collected are then removed from the park for disposal in regional landfills or transfer to external recycling facilities, as appropriate, at a cost to the Agency.

The evaluation's survey of partners and stakeholders found that most respondents (64%) were satisfied with garbage collection provided by the Agency. Prompt collection of garbage is critical to reduce wildlife attractants in national parks and so, with few reported exceptions (e.g., busy holiday weekends) bins are regularly emptied before they are full.

By contrast, most respondents (50%) were dissatisfied with recycling services. Only 27% of respondents felt that they were receiving good value for money for recycling services provided. This dissatisfaction was highest in Wasagamung, where respondents noted poor availability of the service, poor rate of pickup for recycling, and difficulties in transporting the recycled material to distribution centers. Program managers agreed that the Agency is challenged in managing recycling, given the labour intensiveness of separation and sorting, as well as the distance to recycling facilities accepting the materials.

Monitoring of garbage collection activities is a practice now used in many municipalities, e.g., monitoring of compliance with service expectations and/or monitoring of the impacts or benefits of waste reduction activities (e.g., % diverted from landfills). However, program managers indicated that this type of monitoring and analysis would require a significant increase in resources currently devoted to the administration of solid waste activities in townsites.

#### 4.2.4. Asset Management

Our analysis of the Agency's performance on outcomes related to asset management is presented in two parts: (1) condition of contemporary assets; and (2) condition of priority heritage buildings.

#### 4.2.4.1. Condition of Contemporary Assets

Expectations	Indicators
<ul style="list-style-type: none"> <li>The condition of contemporary infrastructure in townsites is being maintained or improved.</li> <li>Contemporary infrastructure is designed to effectively service the current and future needs of townsites.</li> </ul>	<ul style="list-style-type: none"> <li>Trend in condition of contemporary infrastructure in townsites.</li> <li>Evidence of activities undertaken to maintain and/or improve infrastructure.</li> <li>Evidence that contemporary infrastructure meets the required service level for townsites.</li> </ul>

The condition of contemporary assets is important to their economical and efficient operation. For example, leakage in water distribution and sewage treatment systems can increase costs related to treatment and is not environmentally sustainable. Leakage in the distribution system of potable water is a known issue in Waterton that will be addressed as part of the new investments.

#### Nature and Number of Contemporary Assets

As shown earlier in Table 1, over the evaluation period the performance expectation for townsites has aimed at maintaining and/or improving the condition of a certain percentage of contemporary infrastructure. However, the specific infrastructure and targeted level of improvement has changed over time. The Agency developed its baseline for the condition of townsite assets in 2009-10. At this time, it was reported that there were 372 townsites assets, with 57% being in fair or poor condition. Since this time, there have been significant changes in the Agency's asset management system. Current asset data is known to contain discrepancies that make it difficult to confirm estimates.<sup>29</sup> However, based on data available in December 2015, we observe the following:

- The Agency's new asset management system (Maximo) identified 321 contemporary assets within townsite boundaries. The Asset Management Directorate indicated that there are likely an additional 159 assets located within townsite boundaries that have likely been miscoded to the surrounding national parks. A list of specific assets was not provided to the evaluation as work to resolve these discrepancies continues.
- The rules of the new asset system specify that only assets tagged as "utilities" should be deemed to contribute to the sub-program. Within Maximo, only 44 assets were coded to the Townsite Management sub-program. These were exclusively electric power systems, potable water systems and wastewater systems. The remainder are now coded to either PA4 - Visitor Experience (i.e., 90 assets including trails, day use grounds, campgrounds, and signs) or internal services (i.e., 92 assets including roadways, utility buildings, and wastewater systems). Using their own analyses, the Asset Management Directorate identified 88 assets that contribute to Townsite Management with a total CRV of \$161.9M. Again, a list of specific assets was not provided to the evaluation.

#### Trend in Condition of Contemporary Assets

While the data does not fully align, Table 7 compares the current condition of contemporary assets within townsite boundaries found in Maximo (December 2015) against the baseline profile for 2009-10.

<sup>29</sup> The Maximo team is currently working to correct these discrepancies.

**Table 7. Contemporary Assets Supporting Townsite Management, Inventory and Condition**

Townsite	Total Assets	Deferred Work (2014\$, K\$)	Current Replacement Value (2014\$, K\$)	Overall Asset Condition [based on FCI]			
				Good (A)	Fair (B)	Poor (C)	Very Poor (D)
Field	29	3,035.5	27,808.6	25	0	1	3
Lake Louise	39	4,309.9	47,698.0	30	1	5	3
Waskesiu	97	5,303.3	66,456.3	71	2	16	8
Wasagaming	90	7,648.3	53,855.8	40	9	36	5
Waterton	66	26,581.2	65,429.1	46	1	11	8
<b>Total (Maximo)</b>	<b>321</b>	<b>46,878.2</b>	<b>261,247.8</b>	<b>212</b>	<b>13</b>	<b>69</b>	<b>27</b>
				<b>66.0%</b>	<b>4.0%</b>	<b>21.5%</b>	<b>8.4%</b>
<b>Baseline (DPR 2009-10)</b>	<b>372</b>			<b>43%</b>	<b>29%</b>	<b>20%</b>	<b>8%</b>

Based on the data in Maximo, we estimate that about 30% of contemporary townsite assets are currently in poor or very poor condition. Further, data suggests that the overall condition of these assets has neither substantially deteriorated nor improved since 2009-10. The overall maintenance of asset condition can be attributed to numerous infrastructure projects that have taken place over the evaluation period. From 2009-10 to 2014-15, the Agency reported having spent \$33.5M in capital investments to maintain or improve townsite infrastructure. For example, in 2014-15, the Agency invested \$2.3M in upgrades including the installation of new digital water meters in Field, the replacement of obsolete pumps in lift stations in Wasagaming, and preliminary design work for the remodelling of the septic receiving station in Lake Louise.

By contrast, the Agency's current target for the sub-program – i.e., to improve 100% of townsite assets identified in 2012 to be in poor or very poor condition by March 2020 – is specifically focused on the sub-set of assets coded to the Townsite Management sub-program. We found that a similar profile exists for these assets ( $n = 44$ ), i.e.,: Good (A) - 68%; Fair (B) – 2%; Poor (C) – 16%; Very Poor (D) – 14%. In total, as of December 2015, Maximo identified 13 of the sub-program's asset to be in poor or very poor condition.<sup>30</sup>

It is too early to determine the extent to which the Agency is on track to meet this commitment. In Budget 2015, Parks Canada was allocated \$2.4B to address its entire inventory of deferred infrastructure work, including for townsite assets. The Agency has recently developed an investment program framework to integrate the delivery of this funding envelope with its existing A-base used to provide for ongoing maintenance and improvements. The Agency's Milestone Reporting Tool (MRT), used to track ongoing project status and forecast future needs, contains a field to link projects to specific a program activity, such as the Townsite Management sub-program. There is also a requirement to populate which specific assets (using a unique identifier) are covered by an investment project. However, systematic population of this field is not yet complete hindering the evaluation's ability to link the targeted townsite assets identified in Maximo to the projects listed in the MRT.

As shown in Table 8, our analysis of existing data indicates that as of January 2016 there were at least 10 projects listed in MRT that could relate to the Townsites Management sub-program, for a total

<sup>30</sup> Reporting against the PMF target currently focuses on just eight assets; the description and condition of some of these assets as maintained by the Asset Management Directorate also differs from the records in Maximo. The Directorate is aware of this inconsistency and is working towards reconciliation of the data.

estimated cost of about \$36M. However, about half of these are not currently coded to Townsite Management (5101) but rather to NP Services and Facilities (4102).

**Table 8. Approved Townsite Management Infrastructure Projects, December 2015**

Townsite	Townsite Management (5101)	NP Services and Facilities (4102)
Lake Louise	<ul style="list-style-type: none"> <li>Townsite Water and Sewer Infrastructure – Rehabilitation (\$11.6M over 5 years)</li> </ul>	<ul style="list-style-type: none"> <li>Lake Louise Traffic Flow and Arrival Improvements (\$2M)</li> </ul>
Waterton	<ul style="list-style-type: none"> <li>Townsite Garbage Bins and Pads Replacement (\$900k)</li> </ul>	<ul style="list-style-type: none"> <li>Townsite Grounds Infrastructure Rehabilitation (\$1.2M over 4 years)</li> <li>Townsite Infrastructure Replacement – including water and sewer lines (\$15.5M over 5 years)</li> </ul>
Wasagaming	<ul style="list-style-type: none"> <li>Townsite Improvements – Asphalt Overlay (\$1M over 2 years)</li> </ul>	<ul style="list-style-type: none"> <li>Stormwater System Replacement (\$1.7M over 2 years)</li> </ul>
Waskesiu	<ul style="list-style-type: none"> <li>Townsite Wastewater Forcemain Rehabilitation (\$1.5M over 2 years)</li> </ul>	
Jasper	<ul style="list-style-type: none"> <li>Waste Transfer Station Rehabilitation (\$500k over 2 years)</li> <li>A1 Waste Transfer Station Upgrades (\$500K over 2 years)</li> </ul>	

Source: Extract from MRT, December 2015

Given available data, we can only draw a direct link between three of these planned projects and assets included in the Agency's current corporate target for the condition of townsite assets (i.e., Wasagaming stormwater system replacement, Lake Louise townsite water and sewer infrastructure rehabilitation, and Waskesiu forcemain rehabilitation).

There is a risk that actual costs of completing deferred work will be higher than were estimated in 2012. Among the townsites operated by PCA, only Waterton has recently completed a detailed inspection of all its related sub-program assets to assess their condition. As a result, it has a relatively accurate estimate of deferred work. By contrast, forecasted investments to rehabilitate water and sewer infrastructure in Lake Louise shown in MRT (\$11.6M) significantly exceed the \$2.3M of deferred work that were identified in Maximo. Parks Canada has recognized this as an Agency-wide risk to its effective delivery of infrastructure investments and is developing mitigation strategies. Other risks that were identified and to be mitigated include Public Services and Procurement Canada not having the current capacity to deliver for large-scale/complex projects and insufficient time to deliver on all deferred work.

### Capacity of Contemporary Assets

In principle, municipal utility systems should be designed to service the current and future level of development outlined in their community plan. However, a major difference between park and non-park communities is the scale of infrastructure with regards to capacity. Unlike non-park communities, the Agency's assessment of required capacity for these municipal assets considers the needs of year-round residents and of seasonal residents and visitors. Consequently, the water treatment and drinking water systems are often built to treat greater volumes than would be found in communities with equivalent year-round populations.<sup>31</sup>

<sup>31</sup> For example, Environment Canada's *Municipal Water Use Report 2011* notes that roughly half of the municipalities with a population of less than 1,000 are served by water distribution, with the rest being either on private wells or water haulage.

Given this, particularly in the shoulder or off-season for the national park, current infrastructure often has some excess capacity available. We found that one townsite, Wasagaming, uses its excess capacity to service businesses adjacent to the park boundary, with services cost-recovered through a memorandum of understanding with the Regional Municipality of Onanole.<sup>32</sup>

In general, during interviews, staff indicated that current capacity expectations are met or exceeded. While less familiar with the assets' operational and maintenance requirements, residents we surveyed also did not identify any concerns with the capacity or availability of relevant infrastructure.

#### 4.2.4.2. Condition of Priority Heritage Buildings

Expectation	Indicators
<ul style="list-style-type: none"> <li>The condition of priority heritage buildings in townsites is being maintained or improved.</li> </ul>	<ul style="list-style-type: none"> <li>Trend in condition of heritage buildings in townsites.</li> <li>Evidence of activities undertaken to maintain and/or improve priority heritage buildings.</li> </ul>

As per their community plans, townsites maintain priority built heritage and ensure new development complements the "look and feel" of existing architecture. The maintenance of priority heritage buildings in townsites was identified as a priority for the National Parks Conservation sub-program between 2006-07 and 2013-14, with a specific expectation that 100% of townsite priority heritage building conservation targets are met (i.e., all buildings in either good or fair condition).

To support the achievement of this target, each townsite developed a Community Built Heritage Report that identified its priority heritage buildings, their current condition (2008-09), and in some cases an action plan for preservation. For some priority heritage buildings, maintenance plans were also developed to facilitate work planning to maintain the state of the building. Investment information on these projects are difficult to capture within the system given it does not have a specific coding. However, field unit staff provided examples of investments over the period including: the Banff Park Museum (\$69K); Banff Visitor Information Centre (\$227K); Wasagaming Jamboree Hall (\$80K); and Wasagaming Triplex Building (\$100K).

In the baseline year (2006-07), the Agency reported there were 52 priority heritage buildings in townsites. This included all buildings owned by Parks Canada that were either 'Recognized' or 'Classified' by the Federal Heritage Buildings Review Office (FHBRO). Of these, 48% were reported to be in good or fair condition, 19% in poor condition, and 33% were unrated. The table below shows the distribution and reported change in condition of these buildings.

The Agency last reported on its target for townsite priority heritage buildings in the DPR 2013-14. This report indicates that, by March 2014, rating assessments had been completed for all 52 buildings; 96% were in good or fair condition and 2% were in poor condition. It further indicated that that investment in the two heritage buildings in poor condition will remain an Agency priority to ensure the condition of priority heritage buildings administered by Parks Canada in townsites is maintained or improved.

<sup>32</sup> This is a unique situation made possible by the relative proximity of the municipality; no other PCA townsite has another municipality closely co-located. Costs to be recovered include a portion of any capital upgrades required and its share of annual operating costs based on usage.



Table 9. Change in the Condition of Townsite' Priority Heritage Buildings

Townsite <sup>a</sup>	Condition Assessment <sup>b</sup>									
	Good		Fair		Poor		Not Rated		Total	
	2006-07	2015-16	2006-07	2015-16	2006-07	2015-16	2006-07	2015-16	2006-07	2015-16
Field	0	0	1	1	1	0	0	0	2	1 <sup>c</sup>
Waterton	0	9	0	1	0	5	17	0	17	15 <sup>d</sup>
Waskesiu	0	4	8	3	0	1	0	0	8	8
Wasagaming	1	4	7	6	3	0	0	0	11	10 <sup>e</sup>
Banff	1	6	2	1	3	0	0	0	6	7 <sup>f</sup>
Jasper	1	4	4	2	2	2	1	0	8	8
Total	3	27	22	14	9	8	18	0	52	49
Change	(+24)		(-8)		(-1)		(-18)		(-3)	

a – Lake Louise does not contain any FHBRO-designated buildings.

b – Condition in 2006-07 extracted from Community Built Heritage Reports. Recent condition as listed in reports from field units. Date of most recent condition assessment varies; some buildings were last assessed in 2011.

c – Total for 2006-07 included one building that had not been designated by FHBRO. This was a local management decision.

d – Two FHBRO buildings have been demolished since 2006-07.

e – Total for 2015-16 excludes one FHBRO designated building outside limits of townsite.

f – One building was not part of the original list even though it had been designated prior to 2000.

As shown in Table 9, our analysis of condition reports provided by field units suggests that there has been an important increase in the number of buildings in good condition. However, at least eight buildings (16%) are still in poor condition. This is significantly less progress than was reported by the Agency in the DPR. We were unable to reconcile the numbers because the supporting data for the assessment was not available.

Managers told us that while it is no longer a corporate target, they continue to take special care of these FHBRO assets as per policy. As of December 2015, data systems indicated that investments of more than \$7M were planned for FHBRO assets in Jasper, Banff and Wasagaming. More investments to address deferred work will likely be undertaken as part of the commitments to address deferred work.

#### 4.2.5. Efficiency and Economy

A program is **efficient** to the extent a greater level of output is produced with the same level of input, or, a lower level of input is used to produce the same level of output. The level of input and output could increase or decrease in quantity, quality, or both. A program is **economical** to the extent the cost of resources used approximates the minimum amount needed to achieve expected outcomes.

Expectations	Indicators
<ul style="list-style-type: none"> <li>Costs of producing outputs and results are known and verified.</li> <li>The costs of producing outputs and results are less than or the same as costs of comparable townsites.</li> <li>The Agency has assessed its service delivery options to determine where economies could be made and acted on recommendations.</li> <li>Costs are recovered for relevant services.</li> </ul>	<ul style="list-style-type: none"> <li>Cost to produce a given level of output.</li> <li>Cost of inputs for a given level of result.</li> <li>Extent management has used available flexibilities to encourage efficient or economical operations.</li> <li>Evidence of return on investment; link between costs and results (i.e., 'performance').</li> <li>Evidence of review of service delivery options.</li> <li>Cost of inputs compared to costs recovered.</li> </ul>

This section presents the evaluations findings related to three areas impacting the efficiency and economy of the sub-program, i.e., the cost-recovery of municipal services, the collection of revenue from real property and the rationalization of asset investments.

#### 4.2.5.1. Cost-Recovery of Municipal Services

Cost-recovery is the practice of establishing and collecting user fees for services. The extent to which municipal services are cost-recovered is an indicator of the efficient and economic management of townsites. This cost-recovery helps to ensure that taxpayers receive fair economic return for the benefits provided to townsite residents and businesses from their location in the national park and contributes to the long-term sustainability of the townsites.

Parks Canada's objective for cost-recovery of municipal services is derived from the Agency's *User Fees and Revenue Management Policy*. Under this policy, the Agency requires that services, facilities and/or rights and privileges that provide personal or commercial benefits to users be financed fully or in part through user fee revenues. Prices for these services are set based on the criteria of: value (i.e., to reflect the quality of the service and benefits provided); comparability (i.e., what others charge for similar levels of service); and cost of services (i.e., fees should not exceed the full costs of delivering services). Fees for some municipal services (e.g., water, sewer, garbage services and development permits) are further set out in regulations, based on either a formula or a fixed fee.<sup>33</sup>

Within this framework, the Agency has identified three categories of municipal services with differing cost-recovery objectives. These are:

- **Full cost-recovery.** Municipal water, sewer and garbage services are expected to be fully cost-recovered. Costs to be recovered include all the operating and maintenance costs associated with these services and a portion of the capital costs.
- **Partial cost-recovery.** Expectations for partial cost-recovery apply to a variety of other municipal services including but not limited to: road maintenance and snow removal; by-law enforcement; townsite management and administration; business license administration; development proposal review; and fire and emergency services (in some townsites). The Agency does not have a target for an acceptable level of cost-recovery across these general municipal services; the portion of costs to be recovered varies by service and by townsite.
- **No cost-recovery.** Services related to the Agency's responsibilities for environmental management (e.g., monitoring sewage effluent quality) and the management of commercial growth are not explicitly cost-recovered.

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<sup>33</sup> See *National Parks of Canada Water and Sewer Regulations*, *National Parks of Canada Garbage Regulations*, and *National Parks of Canada Cottage Regulations*. Formulas set for water, sewer and garbage consider factors such as: the volume of use on the lot; the number of months that the owner is permitted to occupy the lot; and total operating and maintenance costs of the service, including capital costs for water and sewer systems. The end result is a fee based on an estimated or actual cost for providing the service per volume of use (e.g., estimated cost per cubic metre of water or units of garbage generated). Businesses and individuals that lease property within a townsite typically receive invoices that, among other fees, detail amounts owed for these municipal services.

These expectations for cost-recovery of municipal services apply to each of the five townsites directly administered by the Agency. As incorporated municipalities, the Town of Banff and Jasper provide their own municipal services and so most considerations of cost-recovery do not apply. However, there are some facilities or services that Parks Canada provides in Jasper where costs are expected to be recovered, in whole or in part (see text box).

#### Cost-Recovery in Town of Jasper

Parks Canada maintains limited cost-recovery objectives in Jasper. For example, while the municipality now provides its own garbage collection services, the Agency still owns and operates the town's waste transfer station. Costs associated with municipal use of this facility are in principle to be fully cost-recovered. Data from the financial system suggests revenue from the transfer station averaged \$120K per year against average annual costs for waste disposal services of \$249K (2010-11 to 2013-14).

While the framework guiding cost-recovery in townsites is theoretically straightforward, in practice we encountered many complexities and uncertainties in applying the concepts and assessing progress towards the objective. Further, we noted many potential errors related to existing data on expenditures and revenues. These include:

- In principle, cost recovery should target users (i.e., rate payers' costs) and exclude costs due to the Agency's own operations (i.e., the costs of providing infrastructure and services for PCA building, facilities etc.). While there is evidence of attempts to isolate costs, it is not clear that the identification of the Agency's costs is done consistently among townsites or over time.
- Changes in financial coding in 2014-15 mean costs associated with full, partial and no cost recovery services are no longer separately tracked in the financial system. Revenue from townsite services (full cost-recovery) and general municipal services continues to be separately tracked.
- For some services, estimates (e.g., labour and equipment costs) are used to establish fees rather than actual costs. As a result, true costs may be under- or over-estimated.
- Data in financial system shows evidence of errors in recording costs and revenues. For example, about 2% of total recorded expenditures were attributed to locations with no townsites. Only two of the five relevant townsites record any revenues for partial cost-recovery of general municipal services. Some undetermined amount of related revenue is likely recorded against a separate code for 'Utility Fees'. Both townsite management and financial staff in the Agency flagged issues with inconsistent coding practices.
- There is a lack of clarity regarding the portion of capital costs that are to be cost-recovered. PCA's overall objective is to align funding available to townsites with funding available to municipalities outside National Parks. Guidelines related to capital support and debt financing appropriate to water, wastewater and solid waste projects were adopted in 2014 but clarifications are still being sought on issues such as the application of capital grants, environmental subsidies, and appropriate debt amortisation periods. Townsite managers and financial staff indicated that this has resulted in inconsistent practices in determining which costs to recover and how these costs are to be repaid over time.<sup>34</sup>

<sup>34</sup> Cost-recovery of capital expenditures is offset by the Agency's Municipal Equivalency Subsidy (MES), under which Parks Canada provides subsidies for capital expenditures related to water and sewer services equal to the estimated portion for those services that would normally be provided by the province. Based on guidelines adopted in 2014, the percentage of recovery varies by townsite and ranges from 25% or 33%. It is not clear if this guideline has been consistently applied. Our assessment of cost-recovery is further impeded by the fact that tenants (rate payers) typically pay the associated cost over a number of years where the period varies depending on the nature of the asset investment. Given this complexity it is impossible to determine what capital costs a given townsite should be paying in any given year without a detailed record of specific capital projects, percentages of costs to be recovered for each and associated repayment schedules.

We found numerous reviews of the townsites' financial data that confirm that accurately determining the extent to which the Agency is meeting its expectations for cost-recovery has been a long-standing issue for the Agency. For example, an internal review of townsite service delivery commissioned by the Agency in 2005 found a lack of clarity on what were 'municipal costs', resulting in a lack of consistency in how cost-recovery was applied among townsites. It also highlighted a lack of assurance that historical data or estimates provided a reasonable basis for estimating true costs of the services being provided.

Given these limitations, we can at best make some high level, order of magnitude observations with respect to overall costs, revenues and the extent of cost recovery.

**Total Expenditures and Revenues:** Data indicates that on average about 77% of expenditures on the Townsite Management sub-program can be directly attributed to the five townsites administered by Parks Canada.<sup>35</sup> The following table shows our best estimates of the total expenditures and revenues for these five town sites.

**Table 10. PCA Townsite Municipal Service Expenditures and Revenues (\$000), 2010-11 to 2014-15**

	2010-11	2011-12	2012-13	2013-14	2014-2015
<b>Total Expenditures</b>	8,116	7,120	4,995	6,607	6,627
<b>Total Revenues</b>	2,925	3,794	3,280	2,990	3,078

Source: Data provided by Finance. Expenditures include capital and salaries, but not internal services reallocation.

Given the change in coding structure, it was only possible to disaggregate expenditures by level of expected cost-recovery for the period 2010-11 to 2013-14. Within this period, we found that:

- Total expenditures have fluctuated over the period, mostly related to the timing of major capital projects. Revenues have been relatively stable, averaging \$3.2M per year.
- The majority of the expenditures (65%) were for provision of fully cost-recoverable municipal services (i.e., water, sewer and garbage services), while about a third (33%) were for services that could be partly cost-recovered. The remainder (2%) were for environmental management that is not explicitly cost-recovered. In contrast, 93% of the revenue is associated with provision of water, sewer and garbage services.
- Expenditures and revenue are not distributed equally among townsites.<sup>36</sup> For example, expenditures for fully cost-recoverable municipal services can be attributed to Wasagaming (34%), Lake Louise/Field (31%), Waterton (12%), Waskesiu (9%). By contrast, the majority of the relevant revenue (53%) is collected for the Lake Louise/Field Townsites, followed by Wasagaming (21%), Waterton (13%) and Waskesiu (12.5%).

**Extent of Full Cost-Recovery:** A review of financial data for water, sewer and garbage services shows that capital costs account for an estimated 34% of expenditures in this area. However, as noted, we lack the data required to enable the evaluation of the extent to which these capital costs are being appropriately recovered. As a result, we focused our analysis on the extent to which the more clearly identified operating and maintenance (O&M) costs are recovered (i.e., 66% of total on these services).

<sup>35</sup> From 2010-11 to 2014-15, about 14% of total expenditures are attributed to Banff and Jasper, and 9% to the Treasury Function. About 2% of total expenditures are attributed to locations with no townsite.

<sup>36</sup> Expenditure and revenue data for Field and Lake Louise in the LLYK Field Unit could not be fully separated in the financial system. As a result, these were assessed as a single unit. Data was available to assess the other three townsites as individual units.

The following table compares total O&M costs for water, sewer and garbage services for the five PCA-administered townsites to related revenue for these services.

**Table 11. Estimated Cost-Recovery of O&M for Municipal Water, Sewer and Garbage Services**

	2010-11	2011-12	2012-13	2013-14	Average
Operations and Maintenance Costs (\$000)	2,575	2,945	2,499	2,471	2,623
Total Revenues (\$000)	2,698	3,575	3,062	2,775	3,027
<b>Estimated % O&amp;M Cost-Recovered</b>	<b>105%</b>	<b>121%</b>	<b>123%</b>	<b>112%</b>	<b>115%</b>

Source: Analysis of data provided by Finance.

Available data suggests that, on average, revenue collected by the Agency is sufficient to recover all of its recorded O&M expenditures for water, sewer and garbage services within the five townsites. In theory, the excess amount in any given year would be available to recover some proportion of relevant capital costs. A similar pattern is observed at the level of the individual townsites, where average revenue over the four years exceeded expenditures in all but one location. The significance of these patterns is unclear due to the potential errors in capturing and coding relevant expenditures and revenues noted above.

**Extent of Partial Cost-Recovery:** We attempted to examine the extent to which general municipal services were being cost recovered. All five townsites managed directly by the Agency recorded expenditures for these services (i.e., on average approximately \$2.2M per year over four years), but only two of the townsites (i.e., Waskesiu and Wasagamung) actually recorded any related revenue.<sup>37</sup> In one case, the proportion of costs recovered averaged around 2% for the period while in the other case it averaged around 20%. As noted, we lack a basis for evaluating the significance of this result as there is no clear target for reasonable levels of cost-recovery for these partially cost-recovered services.

**Barriers and Flexibilities in Cost-Recovery:** During the course of the evaluation several factors were identified that either serve as barriers to or that facilitate achievement of the Agency's objectives for cost-recovery, either in whole or in part. Some notable factors are outlined below.

- **Fixed fees for services are a barrier to cost-recovery.**<sup>38</sup> In certain cases, the fees charged to rate payers are fixed in regulations and do not cover the associated costs of the services. For example, fees for garbage services are fixed by regulation in Wasagamung. As a result, the townsite estimates there is an average annual gap of \$145K between its costs for these services and what it can recover in revenue. While costs of development permitting are not intended to be fully cost-recovered, staff also noted that fixed fees for issuing cottage development permits under the *National Parks Cottage Regulations* are set too low relative to the service provided. Neither fee is indexed for inflation.
- **Parks Canada lacks the ability to respond to unexpected changes in demand.** In many cases, rate payers in townsites are not obligated to use the services provided by the Agency. Where alternatives exist (e.g., contracted garbage collection services), some commercial operators have opted out of using the Agency's service. Changes such as these reduce the number of rate payers while having only a small impact on the Agency's fixed costs that are not variable with demand.
- **Cost-recovery can be enhanced when costs are shared.** Besides increasing fees, cost-recovery can also be enhanced when revenues increase as a result of finding additional rate payers or by

<sup>37</sup> It is likely that the other townsites did collect relevant revenue (e.g., related to services such as development permitting) but that this was coded to a different revenue category.

<sup>38</sup> Fees across the Agency (including but not limited to solid waste) have not been updated since at least 2008. Fee amendments are subject to Parliamentary processes outside the direct control of the Agency.

decreasing costs by finding economies of scale. Both of these flexibilities have been applied to some extent by specific townsites. For example, Wasagaming has increased its revenue for water and wastewater services by contracting its excess capacity to the regional municipality. Several townsites have also found economies by joining with other regional municipalities to reduce costs with regards to recycling programs, effectively spreading fixed costs out over more units and decreasing the cost per unit of service.

**Comparison to Non-Park Communities:** To determine the extent to which cost-recovery of services was reasonable, the evaluation collected data to compare the Agency's practices with respect to provision and cost-recovery of municipal services to those of non-park communities.

We found that Parks Canada's approach was generally aligned to the standard municipal approach to recovering operating and capital costs of 'consumable services' (e.g., water and sewage treatment, solid waste management). Based on the "user pay" principle, non-park communities also recover costs through user fees, as well as improvement taxes and off-site levies. We also found that gaps between expenditures and cost-recovery for municipal services are not unusual in non-park communities. One study noted that revenues generated by Canadian Municipal Water Agencies were well below expenditures between 1988 and 2007, and stood at 70% as of 2007.<sup>39</sup>

All municipalities base service decisions on what can be sustained within the context of the municipal budget. This does not mean eliminating services that cannot be adequately cost-recovered. However, gaps in cost-recovery have led to a recent trend among municipalities to improve sustainability by sharing, amalgamating or centralizing services and service delivery.

#### 4.2.5.2. Revenue from Real Property

Increasing revenues is among the ongoing corporate priorities for Parks Canada. While not typically accounted for as a "townsite revenue", land rent is another key revenue stream. On average, an estimated \$5.9M per year of land rent and fees is collected by field units with PCA administered townsites (see Table 12). The majority is a result of leases and licenses in the townsites.

**Table 12. Recorded Land Rent Revenues (\$000), 2010-11 to 2014-15**

Townsite <sup>40</sup>	2010-11	2011-12	2012-13	2013-14	2014-15	Average
Lake Louise/Field	3,064	2,896	2,722	2,745	2,580	2,801
Waskesiu	1,251	1,158	1,300	1,103	1,255	1,213
Wasagaming	922	956	970	1,539	1,332	1,143
Waterton	451	611	937	811	1,006	763
<b>Total</b>	<b>5,688</b>	<b>5,617</b>	<b>5,929</b>	<b>6,197</b>	<b>6,173</b>	<b>5,921</b>

Source: STAR; Revenues coded to GL 10079, 10080

We noted land rent to be one of the areas where the Agency is likely not maximizing potential revenues. Historically, leases in national park communities were granted on favourable terms (e.g., perpetual

<sup>39</sup> Renzetti, S. (2009). *Wave of the Future: The Case for Smarter Water Policy*. C.D. Howe Institute. Commentary No. 281, February 2009, p. 2.

<sup>40</sup> Land rent revenues are recorded in STAR at the field unit-level. As a result, we are not able to report separate revenue amounts for Lake Louise and Field. In addition, while there is limited land rent collected outside townsites boundaries, revenue totals may be slightly inflated.

renewal, nominal land rents) as a means to attract investment. Some of these leases are still in effect today. In addition, these early decisions set a pattern for leaseholds wherein a variety of options were provided to cottage and cabin owners, resulting in important variations in the land rent now being paid within and among townsites.<sup>41</sup> This has resulted in situations where, for example, one cabin owner could be paying significantly more for his lease than a neighbour, even if the cabins are of similar size and structure, on similar lots. This inequity among lessees increases management challenges for staff and does not necessarily result in optimum revenue outcomes for the Agency.

Additional challenges related to the efficiency of real property are presented below. Some of these issues (e.g., enforcement of delinquent accounts) are not unique to the Townsite Management sub-program but regardless are worth noting as they result in important impacts on the sustainability of townsite operations. Challenges identified by the evaluation include:

- **Delay in Release of Lots.** Identified as a challenge in one townsite, amendments to the Waskesiu Community Plan to allow for the release of 18 lots in the townsite were delayed by five years pending approval of the updated community plan. These lots could have generated significant revenues through release fees and yearly land rent over this period.
- **Enforcement of Delinquent Accounts.** Numerous townsites' staff indicated that delinquent accounts are not being actioned in a timely fashion and that the Agency is not effective in ensuring collection of amounts due. However, depending on the amount owing, administrative costs to pursue individual delinquent accounts may outweigh the financial benefits.
- **Enforcement of Fractional Ownership.** Fractional ownership of commercial visitor accommodations (i.e., timesharing) is not permitted under the National Parks Policy (4.2); commercial accommodation in National Parks must be available for use by the general public. However, fractional ownership has been identified as a challenge for two townsites. This leaves less space available for the public to experience the park and generates less revenue for the Agency (as businesses are expected to provide a percentage of their sales). While the Agency has known about this issue since 2011, no compliance action has yet been pursued.

#### 4.2.5.3. Asset Rationalization

In 2014, Parks Canada started a strategic assessment of its built asset portfolio. For this exercise, each field unit was supposed to have (1) scored its assets in terms of their contribution to program delivery and (2) identified its highest priority assets (top 70% of CRV) as well as those to be considered for a rationalization strategy. Most of the assets specific to townsites' municipal services scored high to medium because of high visitor demand of the assets, roles in achieving conservation objectives, importance of the assets in the operation of the place and the utilization rates, and lack of efficient alternatives to deliver the service.

Priority heritage buildings were also included in the asset rationalization exercise. They were assessed on similar criteria as mentioned above (visitor demand, asset role, importance of asset to the operation, utilization, alternatives) as well as a criteria for cultural resources that was two-fold: 1) importance of

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<sup>41</sup> In all townsites, charges for land rent for residential purposes are set as a percentage of the current appraised land value. The specific percentage and period for re-appraisal will differ depending on the terms of the particular lease chosen by the lessee. For example, in Waskesiu, Wasagaming and Waterton, the following options are given: Option 1: 4% of appraised value with reappraisals every 10 years; Option 2: 3% of appraised value with reappraisals every 2 years; Option 3: 1.5% of appraised value then adjusted for Consumer Price Index. Adjustments can be made for seasonality (i.e., 7/12 because townsite is not a year-round community).

the asset to achieving the place's conservation objectives and ensuring conservation leadership; and 2) importance of the asset in telling the heritage story of the place. Scores for these buildings went from low to high.

While the prioritization results serve as an indicator, in the end, the list of assets identified for rationalization is a management recommendation. In the midst of this exercise, the Agency received significant asset funding and shifted towards using the results of the assessment as an investment prioritization tool rather than for purposes of rationalization.

Our analysis found that some of the priority heritage buildings are not currently in use but could be repurposed. We found that some FHBRO buildings have been leased to stakeholder groups wherein they assume use and maintenance of the buildings (e.g., Waskesiu Community Hall). This was perceived by site staff to be a best management practice.

#### 4.2.6. Efficiency of Accountability Structure

Expectation	Indicators
<ul style="list-style-type: none"> <li>Roles, responsibilities and accountabilities are clearly established through the policy framework.</li> <li>Staff at all levels have a clear understanding of the organizational structure and their roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Documented roles, responsibilities and accountabilities.</li> <li>Self-reports of awareness and understanding of roles and responsibilities.</li> </ul>

The administrative and accountability structure of townsites operated by Parks Canada varies significantly from their non-park municipal counterparts. They are administered under national legislation and regulations. While stakeholder advisory groups are in place, the lack of elected local representatives in some places distances many residents and businesses from effective decision-making.<sup>42</sup> Through the evaluation's stakeholder survey, 76% of the respondents indicated that they found PCA's roles and responsibilities within their townsite clear and appropriate. However, while staff noted there are efforts in each townsite to provide residents with opportunities to share concern and information, many stakeholders noted the need for more transparency with regards to information and decision-making and more meaningful consultation.

Section 2.4 provided a basic description of the roles and responsibilities for the Townsite Management sub-program. We found that while these were clearly documented and well understood by staff, there were potential gaps in the accountability structure during the period under evaluation. Specifically, while the Executive Director, Mountain Parks was the functional lead for the sub-program, this position only provided strategic direction and oversight to the five townsites located in the mountain parks (i.e., Banff, Lake Louise, Jasper, Field, and Waterton).<sup>43</sup> This Executive Director was not involved in the day-to-day management of the townsites. In addition, two townsites (Wasagaming and Waskesiu) located

<sup>42</sup> Residents of Banff, Jasper and Waterton are represented by provincial Improvement Districts. The residents of an Improvement District elect representatives, who are subsequently appointed by the Alberta Minister of Municipal Affairs, to an advisory council which assists in the administration of each district.

<sup>43</sup> The Highway Operations Unit which provides road maintenance and garbage collection services to these townsites is also under the purview of this Executive Director.



outside of this area are not under the operational authority of this position. Operational direction for townsite management was provided at their discretion by each FUS, and not necessarily consistent from location to location. It is too soon to assess the extent to which these accountability gaps will be resolved by Parks Canada's new organizational structure (April 2016).

Similar to what was found in the Evaluation of the Through Waterways sub-program (2012),<sup>44</sup> relevant PCA staff at all levels perceived that the sub-program has a general "lack of identity" within the Agency, with no clear, integrated voice. Many expressed the view that the nature of townsites, their various roles and obligations, and their potential value to the Agency are not clearly understood or appreciated within the organization. Although community plans develop a vision for each townsite, there is no clear overall vision or mission for Parks Canada with respect to townsite operations.

We relate this to the lack of central direction for the Townsite Management sub-program.<sup>45</sup> While Parks Canada has established a Townsite Executive Board (TEB)<sup>46</sup> with responsibility for strategic policy and direction (e.g., reviewing/approving annual plans and budgets; recommending fee changes; defining criteria for capital subsidies/submissions; providing advice on policy and regulatory issues), records indicate that this Board only met three times during the period under evaluation (i.e., in January 2011, October 2012 and February 2014). In the absence of support from the TEB, staff noted a lack of coordination that would ensure consistency in the delivery of townsite services across the Agency. As a result, each townsite has been operating independently. In December 2015, the Townsite Executive Board started reconvening after a three-year hiatus. Its current objectives include developing a community of practice to discuss common issues and share best practices, as well as improving the corporate understanding of townsite operations and challenges.

#### 4.2.7. Alternatives to PCA Operation of Townsites

Expectations	Indicators
<ul style="list-style-type: none"> <li>The Agency has assessed its service delivery options to determine where economies could be made and acted on recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of review of service delivery options.</li> <li>Extent management has used available flexibilities to encourage efficient or economical operations.</li> </ul>

We found that some of the challenges identified by our evaluation are not new for the Agency. In 1994, Parks Canada recognized that its existing approach to townsite management was:

- Not achieving objectives for cost-recovery. Collectively, the townsites were estimated to be operating with an average annual deficit of \$6.4M.<sup>47</sup>
- Operating under an administrative and regulatory framework that was inefficient for addressing local concerns.

<sup>44</sup> Through Waterways sub-program has since been converted to Heritage Canal Management sub-program.

<sup>45</sup> Following the closure of Service Centres in 2012, townsite staff indicated their main points of contact for advice on Townsite Management are now the Realty and Administrative Services Branch and the Asset Management Branch. It was however noted delays increased in obtaining advice, with no dedicated staff on townsite files. This can be a challenge when dealing with project proponents.

<sup>46</sup> TEB is comprised of the Executive Director, Mountain Parks, the four FUS with responsibility for PCA-administered townsites, and an Executive Secretary.

<sup>47</sup> Deficit reduced to \$3.7M if land rent is treated as community revenue. These estimates should be read with caution; operational review notes that no adequate accounting program was in place to determine and recover costs.

In response, PCA completed an operational review that, on a park-by-park basis, examined administrative alternatives to allow for more responsive, cost-effective operation of townsites. The alternatives were intended to change Parks Canada's approach to better approximate how communities outside of national parks were managed and financed, resulting in decreased subsidies and increased efficiencies. The alternatives considered by this review are outlined in Table 13.

**Table 13. Alternatives to Townsite Management**

Alternative	Description of Alternative
<b>Self-Governing Municipality</b>	<ul style="list-style-type: none"> <li>Land continues to be leased by PCA but townsite becomes a provincial municipality, operating under the statutes of the province (except for community plans and zoning by-laws).</li> </ul>
<b>National Park Municipality</b>	<ul style="list-style-type: none"> <li>A variation on status quo but with community financed primarily from local sources. New fees would be introduced to recover costs for existing services currently free of charge, with property taxes to make up the remaining difference between fees and operational costs. Where appropriate, the community would also take on enhanced responsibility for budgets, taxation and local regulations.</li> </ul>
<b>Parks Canada Leasehold Corporation</b>	<ul style="list-style-type: none"> <li>Lease becomes the primary vehicle to manage/control the community and raise revenues required to operate the community. This option would include provisions for spending money raised in the community and borrowing from a revolving fund.</li> </ul>
<b>Excisement</b>	<ul style="list-style-type: none"> <li>Community legally removed from the national park and operates like any other provincial municipality. Land would become freehold and PCA would not have authority or responsibility for management and operation of the community.</li> </ul>
<b>Decommissioning</b>	<ul style="list-style-type: none"> <li>The community would cease to exist through abandonment and/or removal of its physical assets. Services and facilities removed and the area rehabilitated to ensure ecological integrity of national park.</li> </ul>

Source: Adapted from PCA Operational Review #29: Communities, 1994

The Town of Banff was excluded from the study as at the time of review it was already an incorporated, self-governing municipality. The Town of Jasper has since joined the Town of Banff in this category.

In the mid-2000s, there was also an attempt by the Waskesiu Community Council (WCC) to seek self-governance. The Agency supported the proposal. Financial analyses completed by PCA indicated that any related loss in land rent revenues (estimated at \$700K per year) would be more than offset by the avoidance of future capital liabilities and operating costs (\$800K and \$300K per year, respectively). Total savings were estimated at \$400K per year. Negotiations with the Government of Saskatchewan, led by the WCC, ended when the province refused a requested exemption from the provincial education property tax. The WCC withdrew its request for municipal status.

Our evaluation did not identify any additional alternatives nor does it view implementation of alternative administrative structures as a requirement for more effective cost-recovery. While other barriers may exist, the specific financial vehicles chosen to reduce expenditures (e.g., asset rationalization) or recover costs (e.g., new fees or increases to existing fees) are not dependent on the townsites' specific administrative organization.

## 5. CONCLUSIONS AND RECOMMENDATIONS

We found that the Townsite Management sub-program is relevant. While the Agency does not consider the provision of municipal services to be part of its core mandate, basic services are required to support the health and safety of both townsite residents and visitors. Further, the sub-program is aligned to both Government of Canada and Parks Canada Agency priorities, and is consistent with the Agency's roles and responsibilities under legislation and policy.

Overall, we found that Parks Canada is making progress towards expected results for the Townsite Management sub-program. However, specific results vary by activity. These are further described below.

- **Community Planning:** Community plans have been developed for all seven townsites. While the process to review community plans could be more efficient, most have been reviewed and amended. These plans are largely consistent with legislated requirements, however, there is a lack clear criteria to enable the evaluation to assess compliance with the principle of no net negative environmental impact.
- **Management of Commercial Growth:** Commercial growth is effectively controlled. No townsite currently exceeds its legislated commercial footprint.
- **Provision of Municipal Services:** Municipal services are effectively designed to service the current and future needs of residents and visitors. We found that Parks Canada has consistently met water quality standards. Based on an annual average, available data also suggests that sewage effluent from wastewater systems in all townsites has complied with requirements of the Wastewater Systems Effluent Regulations. Standards related to solid waste management and road maintenance vary by townsite. While these services are provided, there is no readily available data to indicate the extent to which related standards have been met.
- **Asset Management:** While about 30% of contemporary townsite assets and at least 12% of relevant cultural assets are currently in poor or very poor condition, data suggests that the overall condition of these assets has been maintained or improved since 2010. This is the result of numerous infrastructure projects that have been undertaken, with more projects planned or in progress. However, it is too soon to determine the extent to which the Agency is on track to address all deferred infrastructure work by March 2020.

Financial data shows a significant gap between the Agency's expenditures on municipal services and revenues collected. Parks Canada has long recognized that it is not achieving its objectives for cost-recovery in this area. While there are some barriers to that are outside the direct control of the Agency (e.g., amendments to fee structures), there may be opportunities to make greater use of available management flexibilities to increase efficiency of the Townsite Management sub-program.

Lastly, we found that the sub-program has a general lack of identity and central direction within the Agency. Many expressed the view that the nature of townsites, their various roles and obligations, and their potential value to the Agency are not clearly understood or appreciated within the organization. Over the period under evaluation, this resulted in a lack of coordination that would ensure consistency in the delivery and costing of townsite services and, in some cases, friction with residents. It is too soon to assess the extent to which these gaps will be resolved by Parks Canada's new organizational structure (April 2016).

## RECOMMENDATIONS

In 2000, the *Canada National Parks Act* was amended to add a requirement for community plans. These have since been developed, reviewed and amended as required. However, we noted the most recently updated plans both required several years to complete the review process. The longer community plans go without review and/or update, the higher the risk that they will become inconsistent with current objectives for the community or national park. While the Agency has recognized a need to reassess its *Process for Reviewing Community Plans* (2005), it has not yet committed to a path forward. This process could apply lessons learned from steps the Agency has taken to streamline the approach to management planning across its systems of protected heritage areas.

**Recommendation 1.** The Vice-President, Strategic Policy and Investment should assess its process to review community plans to ensure that it is efficient and meets the needs of Parks Canada's townsites and the national parks in which they are located.

**Management Response.** Agreed. A discussion regarding vision and objectives for townsites including the processes for reviewing and updating community plans to align with the vision and with the Directive on Management planning will be completed by March 31, 2018.

The amendment to the *Canada National Parks Act* (2000) also introduced a specific requirement for community plans to be consistent with several principles, including that of no net negative environmental impact (NNEI). We found that community plans do address this requirement by committing to develop and implement frameworks for monitoring NNEI. However, while townsites regularly undertake numerous activities in support of this principle, a lack of consolidated monitoring data makes it unclear how townsites are able to assess its application.

**Recommendation 2.** The Vice-President, Protected Area Establishment and Conservation should review and update its direction on the no net negative environmental impact principle, including for the development and implementation of townsites' no net negative environmental impact frameworks.

**Management Response.** Agreed. The Protected Areas Establishment and Conservation Directorate will work with townsites to clarify the no net negative environmental impact principle and develop a pragmatic approach to implementation, monitoring and reporting. Target: 2019-2020.

While we found that sewage effluent from wastewater systems in townsites generally complies with required limits, methods used to measure achievement of related targets are not clear. The PCA Standard for Wastewater Systems and Effluent Quality (currently in draft) is expected to clarify the Agency's requirements for all wastewater systems (including but not limited to those in townsites) and the thresholds that must be met. In the interim, the sub-program's revised performance indicator (PMF 2016-17) targets "releases within regulatory limits". This could in principle: exclude two of the five relevant townsites that are not subject to the concentration limits imposed by the Wastewater Systems Effluent Regulations; and lower the expectations to be met in some locations where, to protect the ecological integrity of the national park, targets are more stringent than those required by regulation.

**Recommendation 3.** The Vice-President, Strategic Policy and Investment should review corporate performance targets with respect to wastewater systems to ensure that they are clear and measurable for each townsite. Revised metrics should be integrated as relevant into the

development of Parks Canada's new Agency Results Framework (expected to be approved by November 2017).

**Management Response.** Agreed. Corporate performance targets with respect to wastewater systems will be clarified and integrated into the new Agency Results Framework, where appropriate, by November 1, 2017.

Overall, we found that there is a need to improve central direction for the Townsite Management sub-program. While the Agency has established a Townsite Executive Board with responsibility for strategic policy and direction, this Board did not meet regularly over the period under evaluation. In its absence, a lack of coordination that would ensure consistency in the delivery of townsite services across the Agency was observed. Ensuring consistency does not require that the same standard or practice be applied in all townsites but rather that decision-making ensures that municipal service expectations are clear and defensible to users and stakeholders. Since December 2015, the Board reconvened with objectives focused on developing a community of practice to discuss common issues and share best practices, as well as improving the corporate understanding of townsite operations and challenges. We encourage this progress to continue. Particularly in light of recent changes in Parks Canada's organizational structure:

**Recommendation 4.** The Senior Vice-President, Operations should review and formalize the governance and accountability structure for the Townsite Management sub-program to ensure consistency in the delivery of townsite services across the Agency.

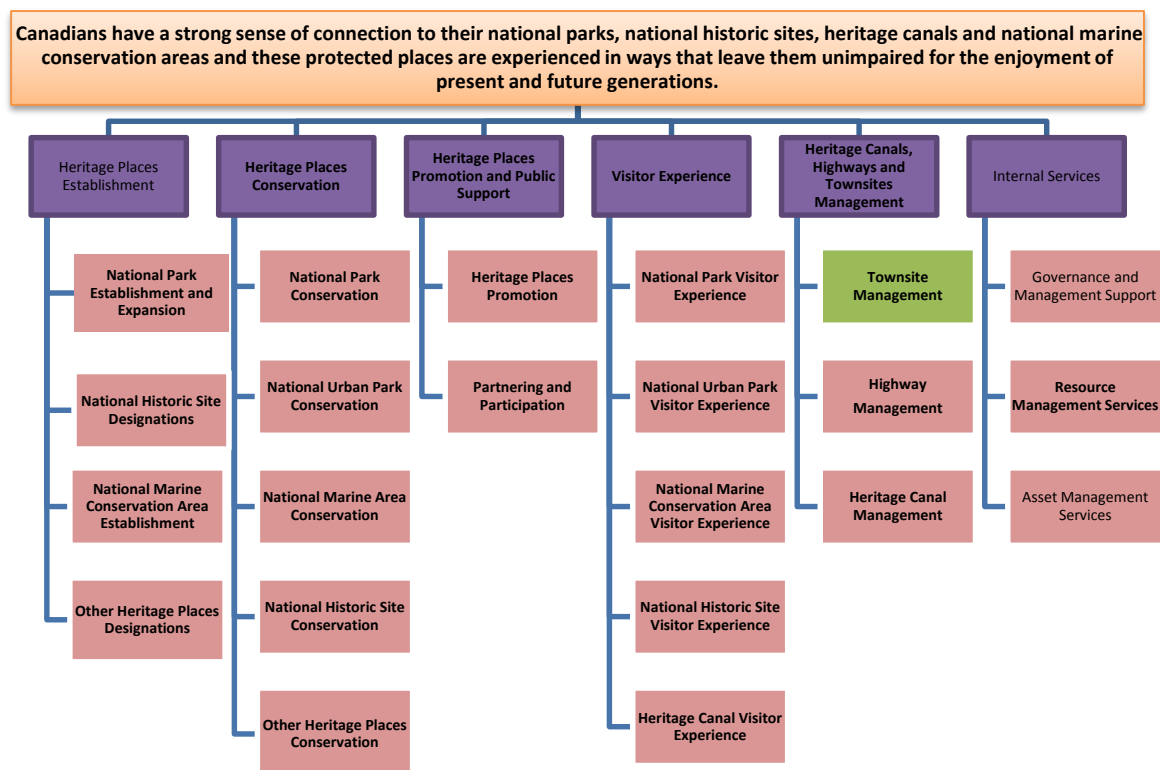
**Management Response.** Agreed. The new Agency governance structure places responsibility for the sub-program with the Senior Vice-President, Operations. The Townsites Executive Board terms of reference will be approved by March 31, 2018.

The majority of Parks Canada's expenditures directed to the provision of townsite services are intended to be cost-recovered. The extent of the gap is difficult to quantify given available data. The lack of clear and consistent costing of townsite services has been a long-standing issue for the Agency.

**Recommendation 5.** The Senior Vice-President, Operations should review existing accounting practices for cost allocation and recovery and develop a clear and consistent approach to costing of municipal services delivered by Parks Canada to enable the Agency to better quantify expected cost-recovery related to municipal services in townsites.

**Management Response.** Agreed. In consultation with the Chief Financial Officer, the Senior Vice-President will engage a consultant to develop a costing framework. The costing framework will be developed by December 31, 2018.

## APPENDIX A: STRATEGIC OUTCOME AND PROGRAM ALIGNMENT ARCHITECTURE



The sub-program covered by this evaluation is highlighted in green. To a lesser extent, the evaluation also touched on issues related to National Park Conservation sub-program (i.e., consideration of no net negative environmental impact in community plans and management of priority heritage buildings).

**APPENDIX B: DESCRIPTIVE COMPARISON OF TOWNSITES**

This following table provides a descriptive comparison of the seven townsites located in national parks. Unless otherwise stated, estimates of visitation and land use were provided by the program and may be outdated.

Townsite	Location		Estimated Visitation			Estimated Land Use		
	Province	National Park	Seasonality of National Park	2014-15 NP Visitation (Attendance Data)	% of NP Visitors including a visit to Townsite	Year-Round Population (Census 2011)	Residence/ Housing Dwellings	Number of Commercial Leases
Waskesiu	Saskatchewan	Prince Albert	Medium*	250,337	No data	10	455 Cabins 132 Cottages	47
Wasagaming	Manitoba	Riding Mountain	Medium*	287,545	98% (2009)	33	525 Cabins 254 Cottages	41
Waterton	Alberta	Waterton Lakes	Medium*	417,979	98% (2011)	51	144 Residential Leases	37
Field	British Columbia	Yoho	Medium*	609,452	No data	195	88 Houses	4
Lake Louise	Alberta	Banff	Year Round	3,609,639	75% (2000)	691	No data	120
Jasper	Alberta	Jasper	Year Round	2,167,469	No data	3935	850 Residential Leases	120
Banff	Alberta	Banff	Year Round	3,609,639	90% (2000)	8740	No data	145

\* medium is defined as locations offering full services in peak season, reduced services in shoulder season and then revert to off-season mode.

**APPENDIX C: EVALUATION MATRIX**

<b>A. RELEVANCE</b>				
<b>Core Question</b>	<b>Specific Questions</b>	<b>Expectations</b>	<b>Indicators</b>	<b>Data Sources/Methods</b>
1. To what extent is there a continued need for the program?	<ul style="list-style-type: none"> <li>To what extent is there a continued need for townsite management?</li> <li>To what extent is the program responsive to the needs of residents and visitors?</li> </ul>	<ul style="list-style-type: none"> <li>The program addresses a continued identified need.</li> <li>The program is responsive to the needs of residents and visitors.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of a continued need for the program.</li> <li>Evidence of program responsiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Document and literature review.</li> <li>Interviews</li> </ul>
2. To what extent is the program aligned with government and Agency priorities?	<ul style="list-style-type: none"> <li>To what extent is the program aligned with federal government priorities?</li> </ul>	<ul style="list-style-type: none"> <li>Program objectives align with Government of Canada priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which program aligns with GOC Whole of Government Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Document and literature review.</li> </ul>
3. To what extent is the program aligned with federal roles and responsibilities?	<ul style="list-style-type: none"> <li>To what extent is the program aligned with PCA roles and responsibilities?</li> </ul>	<ul style="list-style-type: none"> <li>The program is clearly aligned with PCA's legislative and policy mandate.</li> </ul>	<ul style="list-style-type: none"> <li>Federal legislation, policies and directives indicate relevant roles and responsibilities.</li> <li>PCA mandate, policies and directives indicate relevant roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Document and literature review.</li> </ul>
<b>B. PERFORMANCE</b>				
<b>Core Question</b>	<b>Specific Questions</b>	<b>Expectations</b>	<b>Indicators</b>	<b>Data Sources/Methods</b>
4. To what extent are expected outcomes for provision of municipal services being met?	<ul style="list-style-type: none"> <li>To what extent are townsites providing municipal services according to government legislation and standards?</li> </ul>	<ul style="list-style-type: none"> <li>Each townsite has an approved community plan consistent with the requirements under the Canada National Parks Act.</li> </ul>	<ul style="list-style-type: none"> <li>Each townsite has developed and updated a community plan, as deemed necessary.</li> <li>Evidence that community plan in each townsite is consistent with requirements of</li> </ul>	<ul style="list-style-type: none"> <li>Document, literature and file review.</li> <li>Key informant interviews.</li> <li>Database analysis</li> <li>Survey</li> </ul>



		<ul style="list-style-type: none"> <li>Each townsite limits growth to its legislated maximum commercial floor area.</li> <li>Each townsite meets the quality standards for drinking water and sewage effluent.</li> <li>Agency standards are met in delivering other townsite services (i.e., roads and garbage).</li> <li>Services delivered meet the needs of townsite residents.</li> </ul>	<p><i>Canada National Parks Act.</i></p> <ul style="list-style-type: none"> <li>Actual vs. maximum commercial footprint.</li> <li>Actual vs. targeted drinking water and sewage effluent quality (based on monitoring data).</li> <li>Evidence that standards are met in delivering other townsite services (i.e., roads and garbage).</li> <li>Residents indicate they are satisfied with services delivered.</li> </ul>	
5. To what extent is there progress towards expected outcomes for contemporary infrastructure?	<ul style="list-style-type: none"> <li>To what extent is the condition of contemporary infrastructure being maintained and/or improved?</li> </ul>	<ul style="list-style-type: none"> <li>The condition of contemporary infrastructure in townsites is being maintained or improved.</li> <li>Contemporary infrastructure is designed to effectively service the current and future needs townsites.</li> </ul>	<ul style="list-style-type: none"> <li>Trend in condition of contemporary infrastructure in townsites.</li> <li>Evidence of activities undertaken to maintain and/or improve infrastructure.</li> <li>Evidence that contemporary infrastructure meets the required service level for townsites.</li> </ul>	<ul style="list-style-type: none"> <li>Document, literature and file review.</li> <li>Key informant interviews.</li> <li>Database analysis (e.g., AMS, National Asset Review).</li> </ul>
6. To what extent is there progress towards expected outcomes for priority heritage buildings?	<ul style="list-style-type: none"> <li>To what extent is the condition of priority heritage buildings in townsites being maintained or improved?</li> </ul>	<ul style="list-style-type: none"> <li>The condition of priority heritage buildings in townsites is being maintained or improved.</li> </ul>	<ul style="list-style-type: none"> <li>Trend in condition of heritage buildings in townsites.</li> <li>Evidence of activities undertaken to maintain</li> </ul>	<ul style="list-style-type: none"> <li>Document, literature and file review.</li> <li>Key informant interviews.</li> </ul>

			and/or improve priority heritage buildings.	<ul style="list-style-type: none"> <li>Database analysis (i.e., AMS, Maximo).</li> </ul>
<b>C. EFFICIENCY AND ECONOMY</b>				
<b>Core Question</b>	<b>Specific Questions</b>	<b>Expectations</b>	<b>Indicators</b>	<b>Data Sources/Methods</b>
7. To what extent is the program efficient and economical?	<ul style="list-style-type: none"> <li>What management flexibilities/constraints influence the program's efficiency/economy?</li> <li>How do costs compare among outputs?</li> <li>How do costs compare against benchmarks?</li> <li>Are municipal services being cost-recovered where relevant?</li> </ul>	<ul style="list-style-type: none"> <li>Costs of producing outputs and results are known and verified.</li> <li>The costs of producing outputs and results are less than or the same as costs of comparable townsites.</li> <li>The Agency has assessed its service delivery options to determine where economies could be made and acted on recommendations.</li> <li>Costs are recovered for relevant services.</li> </ul>	<ul style="list-style-type: none"> <li>Extent management has used available flexibilities to encourage efficient or economical operations.</li> <li>Cost to produce a given level of output.</li> <li>Cost of inputs for a given level of result.</li> <li>Evidence of return on investment; link between costs and results (i.e., 'performance').</li> <li>Evidence of review of service delivery options.</li> <li>Cost of inputs compared to costs recovered.</li> </ul>	<ul style="list-style-type: none"> <li>Database analysis (i.e., STAR).</li> <li>Document and literature review.</li> <li>Key informant interviews.</li> <li>Comparative analysis.</li> </ul>
8. To what extent are roles, responsibilities and accountabilities for program delivery clear and effective?	<ul style="list-style-type: none"> <li>To what extent are roles, responsibilities and accountabilities for program delivery clear and effective?</li> </ul>	<ul style="list-style-type: none"> <li>Roles, responsibilities and accountabilities are clearly established through the policy framework.</li> <li>Staff at all levels have a clear understanding of the organizational structure and their roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Documented roles, responsibilities and accountabilities.</li> <li>Self-reports of awareness and understanding of roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key informant interviews</li> </ul>

**APPENDIX D: KEY DOCUMENTS CONSULTED**

Banff NP Management Plan, 2010  
Jasper NP Management Plan, 2010  
Yoho NP Management Plan 2010  
Waterton Lakes NP Management Plan 2010  
Riding Mountain NP Management Plan 2012  
Prince Albert NP Management Plan 2008

Lake Louise Community Plan, 2001  
Field Community Plan, 2010  
Wasagaming State of Community Report, 2006  
Wasagaming Community Plan, 2000  
Jasper Community Sustainability Plan, 2011  
Banff Community Plan, 2009  
Waskesiu Community Plan, 2000

Banff, Kootenay and Yoho NP – Patterns of Visitor Use Study (2000)  
Riding Mountain NP – Visitor Survey Final Report (2009)  
Waterton Lakes National Park – Visitor Information Program (2012)

Canada National Parks Act  
National Building Code of Canada  
National Fire Code  
National Parks Business Regulations  
National Parks Garbage Regulations  
National Parks General Regulations  
National Parks Lease and License of Occupation Regulations  
National Parks Water and Sewer Regulations  
National Parks Cottage Regulations  
Wastewater Systems Effluent Regulations  
National Parks Policy (1994)  
PCA Potable Water Guidelines and Standards (2006)  
Guidelines for Effluent Quality and Wastewater Treatment at Federal Establishments (1976)  
Guidelines for Canadian Drinking Water Quality (updated 2014)  
PCA Cultural Resource Management Policy (2012)  
PCA Guide to Working with FHBRO (2009)  
PCA - Process for Reviewing Community Plans (2005)  
PCA - Roadway Management Directive (2012)  
*PCA - Standards and Guidelines for the Conservation of Historic Places in Canada.*

National Parks Townsites (Internal Document – Draft), 2014  
Municipal/Utility Delivery Services Review (Pommen Report), 2005  
Review of the Status of Parks Communities – NNNEI Frameworks, 2004  
Municipal Capital Program Guidelines and Debt Review on Five Communities Located within National Parks (Nichols Report), 2014

Renzetti, S. (2009). Wave of the Future: The Case for Smarter Water Policy. C.D. Howe Institute. Commentary No. 281, February 2009, p. 2

**APPENDIX E: COMPARISON OF SEWAGE EFFLUENT TARGETS****Table 14. Comparison of Sewage Effluent Regulatory Regimes**

Parameter	Federal Standards		Parks Canada Targets
	Federal Guidelines (1976)	Wastewater Systems Effluent Regulations (2012)	Leadership Targets (1998)
Applies to	All	Banff Jasper Lake Louise Field <sup>48</sup> Wasagaming Waskesiu	Banff Jasper Lake Louise Field
Total Phosphorus (mg/L)	< 1		< 0.15
Fecal Coliforms (CFU/100mL)	< 400		< 20
Solids, total suspended (mg/L)	< 25	≤ 25 (Average)	< 10
5-Day Biochemical Oxygen Demand (BOD5) (mg/L)	< 20	≤ 25 (Average)	< 10 (summer) < 20 (winter)
Ammonia (NH <sub>3</sub> - N) (mg/L)		≤ 1.25 (Average)	< 1 (summer) < 5 (winter)
Chlorine (mg/L)	0.5 to 1.0	≤ 0.02 (Average)	< 0.10
pH	6 to 9		
Phenols (micrograms/L)	20		
Oils and Grease (mg/L)	15		
Acute Lethality		Not acutely lethal	

<sup>48</sup> Field is subject to WSER given the design of its wastewater system but, as its actual annual threshold is less than 100m<sup>3</sup>, the only requirement for this system is the initial Identification Report (WSER 2012, Section 18).