



**Corporation of the Municipality of South Huron
Community Hub/Recreation Project Steering Advisory Committee**

Agenda

October 23rd, 2018

7:00 PM – 9:00 PM

Carling Room

1. Call To Order

2. Agenda

Recommendation:

That the Agenda for October 23rd, 2018 be approved, as presented.

3. Disclosure of Pecuniary Interest and the General Nature Thereof

4. Minutes

Recommendation:

That the minutes of October 9th, 2018 be adopted as presented.

5. Business Arising

6. Business to be Discussed

6.1 Pro-forma options report presented by the YMCA

Recommendation:

That the Community Hub / Rec Centre facility pro forma options report presented by the YMCA be received by the Project Steering Committee for information.

7. Work Plan Review

8. Committee Updates

9. Correspondence

10. Key Messages

11. Adjournment

Recommendation:

That the Community Hub/Recreation Project Steering Advisory Committee hereby adjourn at to meet again on November 6, 2018 at 7:00 PM or at the Call of the Chair.



**Corporation of the Municipality of South Huron
Community Hub/Recreation Project Steering Advisory Committee
Minutes
October 9, 2018
7:00 PM – 9:00 PM
Carling Room**

Present:

Chair, Dawn Rasenburg
Vice Chair, Mike Ondrejicka
Councillor Craig Hebert
Ron Mayer
Darlene McKaig
Craig Ivatts
Robert Oud
Peter Hrudka

Staff:

Dan Best, CAO
Scott Currie, Recording Secretary

Regrets:

Mayor Maureen Cole, Ex-Officio
Councillor Ted Oke

1. Call To Order:

The Chair called the meeting to order at 7:02 PM

2. Agenda

Recommendation:

That the Agenda for October 9, 2018 be approved, as presented.

Motion: 57-2018

Moved: Ivatts

Second: Ondrejicka

Disposition: Carried

3. Disclosure of Pecuniary Interest and the General Nature Thereof

4. Minutes

Recommendation:

That the minutes of September 11, 2018 be adopted as presented or amended.

Motion: 58-2018

Moved: Hrudka

Second: McKaig

Disposition: Carried

5. Business Arising

6. Business to be Discussed

6.1 LeisurePlan International Final Report

- The Committee identified questions that they would like to ask the author when he delivers his report workshop presentation
 - How do these results compare to data collected in other communities?
 - Can we get a breakdown of data by geography within South Huron? For example, it might help interpretation of report section 3.5.2 A regarding memberships
 - Page 3, can we get confirmation that the survey involved landlines and cell
 - Page 14, 28.9% of respondents are members of YMCAs – do we know where?
 - Can we get confirmation of primary and secondary market definitions
 - Given the shape of our municipality – long and narrow, are the primary and secondary market estimate ranges overly conservative?
 - Given the variance within the capture rates, what methodology would LeisurePlan International recommend for the Committee to base pro-forma designs on (i.e., mean or conservative values)
 - 4.4.3 re: participation rates, "...the success of the programming is specifically based on maximizing memberships for those 65+" – can this be explained further?
- Committee members can identify further questions about the study and forward to Scott at scurrie@southhuron.ca by October 15th. Scott will consolidate and forward to LeisurePlan so they are prepared for the workshop.

Recommendation:

That the final report from LeisurePlan International be received by the Project Steering Committee for information.

Motion: 59-2018

Moved: Ivatts

Second: Hrudka

Disposition: Carried

6.2 Fundraising Feasibility RFP: status update

- The RFP has been issued with a closing date of October 19th, at 4:00 PM. Inquiries from applicants have been received by staff who will keep the Committee informed.
- The RFP submissions will be opened by staff at 5:00 PM on October 23rd with Councillor Hebert present.

7. Work Plan Review

8. Committee Updates

9. Correspondence

10. Key Messages

- The committee received the market feasibility final report from LeisurePlan International for information.
- The final report from Leisure Plan International is available to the public on the Municipal website at **SouthHuron.ca**

11. Adjournment

Recommendation:

That the Community Hub/Recreation Project Steering Advisory Committee hereby adjourn at 7:52 PM to meet again on October 23, 2018 at 7:00 pm or at the Call of the Chair.

Motion: 60-2018

Moved: Ondrejicka

Second: Mayer

Disposition: Carried



October 18, 2018

REPORT

TO: Community Hub/Recreation Project Steering Advisory Committee

FROM: Sean Dillon, Senior Manager Business Development

RE: Capital and Operating Preliminary Projections – Based on Leisureplan Market Study

Background

Leisureplan International completed a statistically reliable Market Study sampling 254 residents opinions and intentions on the possibility of the creation of new recreational facilities within the Municipality. The YMCA, as part of its contracted scope of Community Development work, has translated the findings of that Study into preliminary Capital and Operating Projections. The preliminary projections are meant to guide decision making but additional efforts are required to confirm assumptions and firm up projections prior to accepting such as reliably attainable.

Participation Model for New Recreational Facilities

The YMCA has performed its own Participation Model for South Huron and submits it in this report as a means of comparison and validation of the model proposed by Leisureplan.

The YMCA model is based on 2016 Statistics Canada Census data for the community. The model assumes that South Huron residents have levels of participation in physical activity similar to the rate of one third of Ontarians who regularly participate in health, fitness, and recreations activities. Although one third of the local population may be physically active not all of these persons can be considered to be potential users of the proposed new recreation facilities within South Huron. Physically active residents may participate in self-directed activity in their homes or public spaces, may participate at competing facilities in neighbouring municipalities, or within competing programs/spaces within South Huron. The YMCA therefore further segments the local fitness market to examine market penetrations of 20% to 40%. 30% is considered an average fitness market penetration rate for facilities found in smaller communities and this penetration is observed in the YMCA’s other small market operations.

	2016 Census Data - South Huron	Total Fitness Market Size	Market Share		
Age		33%	20%	30%	40%
0 to 14	1530	505	101	151	202
15 to 64	5905	1949	390	585	779
65 plus	2660	878	176	263	351
Totals	10095	3331	666	999	1333

The preceding market penetration analysis points to a sufficient market for a modest recreational complex and programming based on a 30% market share. The YMCA projects a most probable case scenario of a modest health, fitness and recreation operation in Exeter to draw between 930 and 1000 average members on roll.

The Leisureplan participation model is based on expressed intention to purchase a membership at a defined rate from resident questionnaires. The survey responses are extrapolated to the total community population, within a primary and secondary market area, to provide a predicted participation model.

Membership Category	Market Segment	Low Market Share	High Market Share
Adult	Primary	450	640
	Secondary	135	290
Family	Primary	360	550
	Secondary	25	175
Totals		971	1,655

Based on these two methods of identifying potential membership participation, and their relative agreement on market participation, the YMCA recommends the use of the low-end projections presented by Leisureplan of 971 members for planning and projection purposes.

Facility Models – Space Program

Leisureplan’s research identified the following potential facility components/amenities as being central drivers to resident’s intention to purchase a membership with the proposed new recreational facilities:

1. An indoor pool
2. An indoor track
3. A fitness conditioning centre
4. A facility to support group exercise classes

The following potential space programs take into account the expressed desired facility amenities and the number of potential members identified. Two models are detailed, one with an aquatic centre and one without an aquatic centre. The models look only at the construction of the community centre/hub portion of the project and do not detail the potential new arena portion of the project, with the exception of assuming that a walking track would be within that portion of the project.

Facility Amenity	Facility A	Facility B
Aquatic Centre	6000 square feet	
Aquatic Mechanicals/Filter Room	1000 square feet	
Gymnasium	4200 square feet	4200 Square Feet
Fitness/Conditioning Centre	5000 square feet	5000 Square Feet
Changerooms	2000 square feet	2000 square feet
Meeting/Activity Room	700 square feet	700 square feet
Equipment/Storage	500 square feet	500 square feet

Sundry/Circulation Mark-up 10%	1940 square feet	1240 square feet
TOTAL FACILITY SIZE	21,340 square feet	13,640 square feet

Capital Construction Projections

Recent recreation facility builds across Southwestern Ontario have experienced a cost per square foot between \$300 and \$350 with those facilities with aquatic centres realizing a square footage rate at the high end of that scale.

	\$300/square foot	\$350/square foot
Facility A – 21,340 square feet	\$6,402,000	\$7,469,000
Facility B – 13,640 square feet	\$4,092,000	\$4,774,000

Facility Capital Construction Projections do not take into account any costs associated with land acquisition, architectural fees, soil remediation, specialized construction requirements such as piling, or the cost of servicing land.

Preliminary Operating Pro-forma

The YMCA operating model is a high touch model ensuring the availability of trained staff to both assist and supervise members in the attainment of their personal health and wellness goals. YMCA fitness centres are supervised throughout their entire operating schedule and as such the cost of compensation becomes the largest expense within a YMCA operation. This model of staff deployment benefits the operation in leading to membership retention of 65% or greater, lower insurance costs, a decreased cost and incidence of theft and damage, and most importantly attainment of our mission to enrich the community through the growth and development of people in spirit, mind and body.

YMCA membership fees are payable on a monthly basis and discounted relationships for families, children, students, and seniors are offered. Additionally, no one is turned away due to an inability to pay. The YMCA’s financial assistance program provides subsidized access to membership for those in situations of financial hardship. While membership is the central relationship the YMCA offers its community, all YMCAs are also open to non-members who may choose to purchase an activity pass per visit or register for sessional classes without a membership.

The operating pro-forma following are based on an average membership of 971 members for the proposed facility with an aquatic centre and a reduced membership participation of 826, a 15% reduction in participation, for the proposed facility lacking an aquatic centre.

The Preliminary Pro-Forma are conservative in nature with regard to revenue generation and do not identify opportunities for operating synergies that may exist with Arena operation or the Municipality’s current recreation staff deployment. The Pro-Forma should serve to provide the Municipality with a “Worst Case” scenario for planning and decision-making purposes. Note that potential shared expenses, such as utilities, that are likely to be captured within the Arena operation are not reflected in the Pro-Forma.

Should the Municipality wish to proceed with a facility development process and engage in discussions with the YMCA concerning an operating collaboration the following Pro-Forma would be refined based on that process.

Preliminary Operating Pro-Forma		Facility A – Aquatic Centre	Facility B – No Aquatic Centre
	Members	971	826
Revenue	Membership	\$ 326,256	\$ 277,536
	Course Fees/Day Pass	\$ 36,000	\$ 14,660
	Summer Day Camp	\$ 8,020	\$ 8,020
	Summer Job Grants	\$ 2,340	\$ 2,350
Total Revenue		<u>\$ 372,616</u>	<u>\$ 302,566</u>
Expense	Compensation	\$ 512,367	\$ 226,607
	Other Expenses	\$ 137,549	\$ 102,549
Total Expense		<u>\$ 649,916</u>	<u>\$ 329,156</u>
Net before Allocations		\$ (277,300)	\$ (26,590)
YMCA Shared Services Allocation		\$ 75,000	\$ 75,000
Annual Municipal Support of Recreation		<u>\$ (352,300)</u>	<u>\$ (101,590)</u>

The above pro-forma has made base assumptions on utility, pool chemical, maintenance, and cleaning expenses that will require later confirmation once an operating model and any potential synergies with a co-located arena's operating model are identified.