Corporation of the Municipality of South Huron
Community Hub / Recreation Project Steering Advisory Committee
Agenda
November 13th, 2018
7:00 PM – 9:00 PM
Carling Room

Present:
Chair, Dawn Rasenburg
Councillor Craig Hebert
Councillor Ted Oke
Ron Mayer
Craig Ivatts
Robert Oud
Peter Hrudka

Staff:
Dan Best, CAO
Scott Currie, Recording Secretary

Regrets:
Mayor Maureen Cole, Ex-Officio
Vice Chair, Mike Ondrejicka

1. Call To Order

The Chair called the meeting to order at 7:07 PM.

2. Agenda

Recommendation:
That the Agenda for November 13th, 2018 be approved, as presented.

Motion: 65-2018
Moved: Oke
Second: Oud
Disposition: Carried

3. Disclosure of Pecuniary Interest and the General Nature Thereof

None.

4. Minutes

Recommendation:
That the minutes of October 23rd, 2018 be adopted as presented.

Motion: 66-2018
Moved: Hrudka
Second: Hebert
Disposition: Carried

5. Business Arising

- The Committee requests that an acknowledgment letter be drafted thanking Darlene McKaig for her service to the project.

6. Business to be Discussed

6.1 LeisurePlan International Final Report Workshop

- The Committee received LeisurePlan's final report at the October 9th meeting

- In advance of the report workshop, the Committee sent a list of questions to LeisurePlan on October 16th.

- John Stevenson and Norma Draper from LeisurePlan delivered a presentation that explained the results of the report and answered the Committee's questions.

6.2 Focus Group Sessions Update

- The YMCA has a plan to deliver the remaining Focus Group sessions in late November and early December.

- Invitations to stakeholders will be distributed this week.

6.3 Fundraising Feasibility Study RFP Update

- A report with a recommendation is planned to go to Council on December 17th.

7. Work Plan Review

8. Committee Updates

- Staff will report on the project's webpage traffic at the next meeting.

9. Correspondence

None.

10. Key Messages

- The Project Steering Committee received a follow-up presentation from LeisurePlan International that explained the results of their study.
- The Committee is continuing its mission to gather information that explores the feasibility of developing a new community hub / recreation centre.
- No decisions on the proposed new facility have been made. All information gathered by the Committee will be presented to South Huron Council for decision.

11. Adjournment

Recommendation:
That the Community Hub/Recreation Project Steering Advisory Committee hereby adjourn at 8:47 PM to meet again on November 27th, 2018 at 7:00 PM or at the Call of the Chair.

Motion: 67-2018
Moved: Hrudka
Second: Oke
Disposition: Carried

Project Steering Committee Questions

The Project Steering Committee received the final report from LeisurePlan International at the October 9th meeting. The following questions have been identified for further discussion at the upcoming report workshop.

1. How do these results compare to data collected in other communities?
2. 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
3. Page 3, can we get confirmation that the survey involved landlines and cell
4. Page 14, 28.9% of respondents are members of YMCAs – do we know where?
5. Can we get confirmation of primary and secondary market definitions
6. Given the shape of our municipality – long and narrow, are the primary and secondary market estimate ranges overly conservative?
7. 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)
8. 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?

9. At the committee meeting the other night I asked what does "Secondary Market Segment" and someone said it was outside the 20 Km circle. However in the report on Pg 64 and again on Pg 72 the report defines this as being "somewhat likely" to join as a member – am I correct in assuming the report is correct, as a participant right in Exeter could be "somewhat likely" to join.
10. Some of the stats involving males vs females; the females nearly double the number of males; is that because the survey was done during the day and therefore, more women would be available to answer the survey than men. Or in Leisure Plan experience what impact does that have on potential memberships. I am not clear on this statistic.
11. On page 64 it states that the population in 2016 (Canada Census) was 5,405 for the survey age group. Does that mean that South Huron has 5,000 people that are either < 20 or >65? I would be helpful to know the demographics of the 5,000. Maybe this survey should have covered 65+ after all.
12. We asked this question at the committee meeting the other night, but I would still like to ask Leisure Plan. What is the explanation for the large gap in range numbers? I.e. Pg 66, 900 – 1275 and chart near the bottom of the page, each category has a large gap in the list of ranges.

13. What are the definitions of Primary and Secondary Markets? Are these markets geographically based, or do they depict consumers who are "very likely" or "somewhat likely" to purchase a membership. If geographical, is there a map which shoes primary and secondary areas?
14. What was the geographic boundary for the survey? Was it solely within South Huron?

Project Steering Committee Questions

15. Factors perceived to be the most important to the decision to purchase a membership include the location of the facility, the ability to access **all** the programs, the provision of an indoor pool, and an indoor walking and running track. If any one of these features were not made available, how would the metrics of "very likely" and "somewhat likely" change?
16. Section 4.4.4 states (paraphrasing here) The size of the potential **secondary** market segments for adult and family membership is relatively small. That in previous market research these segments are typically larger than the potential primary market segments. As a result, the small size should be regarded as a significant concern, as industry trends indicate an average drop out rate of 70% to 75%, from the primary market segment. Can you share with us the data from previous market research? Over what time period does the average drop out rate occur, ie. a year, or other?
17. In the survey process, were both land-line and cell phone customers contacted? In South Huron, for landlines, 234, 235, 237 and 238 phone extensions are primarily geographic. Can you provide detailed data or mapping of the geographic locations where surveys were successfully completed, by primary and secondary markets?
18. Just some of my concerns from the report are in the conclusions of 4.43 and 4.44.

Municipality of South Huron

COMMUNITY HUB/
RECREATION CENTRE
MARKET/FEASIBILITY STUDY

FINAL REPORT

LeisurePlan
International Inc.

Introduction

- In 2018 the Municipality of South Huron retained the consulting firm of LeisurePlan International Inc. to undertake a study involving a market research activity to establish a projection of the potential demand for the services, programs and activities, and associated facility components of a proposed "Community Hub/Recreation Centre". The market research also examined the implications of a series of factors such as mode of access, price, and location on potential demand.

The Survey Research Methodology

- A telephone survey of a randomly selected, statistically valid and representative sample of the adult population of South Huron:

  - between 20-64 years of age; and

  - stratified by gender (males and females) and 2 age groups (20-39 years of age and 40-64 years of age).

Although other population groups are important and will likely use the proposed facility, ***adults 20-64 years of age*** *represent the* ***most important*** *market segment from a* ***financial*** *perspective.*

- The Market Area was comprised of the entire Municipality of South Huron. The way the telephone numbers were **collected*** and **selected**** ensured that all adults 20-64 years of age, regardless of where they reside in South Huron, were equally likely to receive a call, eliminating geographic bias.

* **collected** based on the municipal boundaries and nearest cellphone towers

** **selected** at random

*Therefore, the Primary Market Segment (**PMS**) and the Secondary Market Segment (**SMS**) are <u>not</u> based on geography, the **PMS** and the **SMS** are based on predicted future behaviour (i.e. likelihood of purchasing at a $ fee).*

- Further measures to eliminate bias (e.g. age, gender, “out recreating”, etc.):
  - The calls are conducted during the daytime and evenings, during the week and on weekends; and
  - Each telephone number is called up to 8 times at different times and days before it is “discarded”.

- The survey had a confidence level of 95% and a margin of error of 7%....if the survey were repeated, 19 out of 20 times, the results would lie within a range of 7%.

Example of a 7% range:

6.5% ← 10% → 13.5%

Therefore, when we extrapolate the findings of the research to the adult population, we show a range based on the margin of error of the survey.

Any proformas should be based on the mid-point of the range; use the 7% range to test sensitivity.

The Analysis of Demand

Series of 5 steps:

1. General likelihood* of Adult Membership at the proposed facility assuming:

   - An indoor aquatic centre with lap lanes and leisure pool, a gymnasium, a fitness conditioning centre, an indoor walking track and multi-purpose rooms.
   - The provision of a wide variety of aquatic, fitness and recreation programs to residents of all ages and families.
   - Access to all of the facility's aquatic, fitness, health and recreation programs and facilities.
   - The price of membership would be "reasonable".
   - A location in Exeter.

   (*   Very Likely – Somewhat Likely – Not Very Likely – Not At All Likely)

2. Effect of monthly fee on the likelihood of purchasing an Adult Membership at $54 or $52.

(Repeat Step 1 & Step 2 for Family Membership at $115 or $113)

3. Preference for **Adult** Membership compared to a **Family** Membership.

4. Extrapolation of survey results to the population of adults 20-64 that reside in the Market Area.

5. Application of capture/conversion rates to the potential market segments.

1. General likelihood of Adult Membership at the proposed facility

Likelihood	% of Total Respondents (n=254)
Very likely	43.7
Somewhat likely	23.2
Not very likely	14.2
Not at all likely	18.9

Reason for Not Being a Member at the Proposed Facility

- 33.1 % of respondents were “not very likely” or “not at all likely” to purchase an adult membership.

Reason	% of Respondents Not Likely to Purchase Membership (n=84)
Exeter is too far away	31.0
No time	15.5
The community can’t afford to provide this facility	13.1
No interest	10.7

2. Effect of monthly fee on the likelihood of purchasing an Adult Membership at $54 or $52

Very Likely to Purchase Adult Membership	% of Total Respondents		Impact of Fee
	Before Fee	After Fee	
$54	43.7%	32.7%	-25%
$52	43.7%	33.5%	-23%

Not a statistically significant difference

Somewhat Likely To Purchase Adult Membership	% of Total Respondents		Impact of Fee
	Before Fee	After Fee	
$54	23.2%	13.4%	-42%
$52	23.2%	13.8%	-41%

Not a statistically significant difference

1. General likelihood of Family Membership at the proposed facility

Likelihood	% of Total Respondents (n=254)
Very likely	26.0
Somewhat likely	15.0
Not very likely	15.0
Not at all likely	44.1

2. Effect of monthly fee on the likelihood of purchasing a Family Membership at $115 or $113

Very Likely to Purchase Family Membership	% of Total Respondents		Impact of Fee
	Before Fee	After Fee	
$115	26.0%	20.9%	-20%
$113	26.0%	22.0%	-15%

Not a statistically significant difference

Somewhat Likely to Purchase Family Membership	% of Total Respondents		Impact of Fee
	Before Fee	After Fee	
$115	15.0%	7.9%	-47%
$113	15.0%	7.9%	-47%

Not a statistically significant difference

3. Preference Between **Adult** and **Family** Membership (Discrete)

Type of Membership	Likelihood of Purchasing Membership	Monthly Membership Fee	% of Total Respondents	
			BEFORE Preference	**AFTER** Preference
Adult	Very likely	$54	32.7	20.1
		$52	33.5	20.5
	Somewhat likely	$54	13.4	9.8
		$52	13.8	9.8
Family	Very likely	$115	20.9	16.9
		$113	22.0	17.7
	Somewhat likely	$115	7.9	4.7
		$113	7.9	4.7

4. Extrapolation of the survey results to the population of adults 20-64 that reside in the Market Area

Base population data for the Market Area

Total Population of Adults 20-64 Years of Age in the Market Area, 2016

Age Group	Gender	2016 Population*
20-39	Males	1,045
	Females	965
40-64	Males	1,655
	Females	1,740
Total		**5,405**

* Source: Statistics Canada 2016 Census

The market segments with the highest probability of potential membership purchase at the proposed facility are:

- Adults 20-64 years of age who are ***very likely*** to purchase an adult/family membership, pay monthly fee, and prefer adult/family membership

=

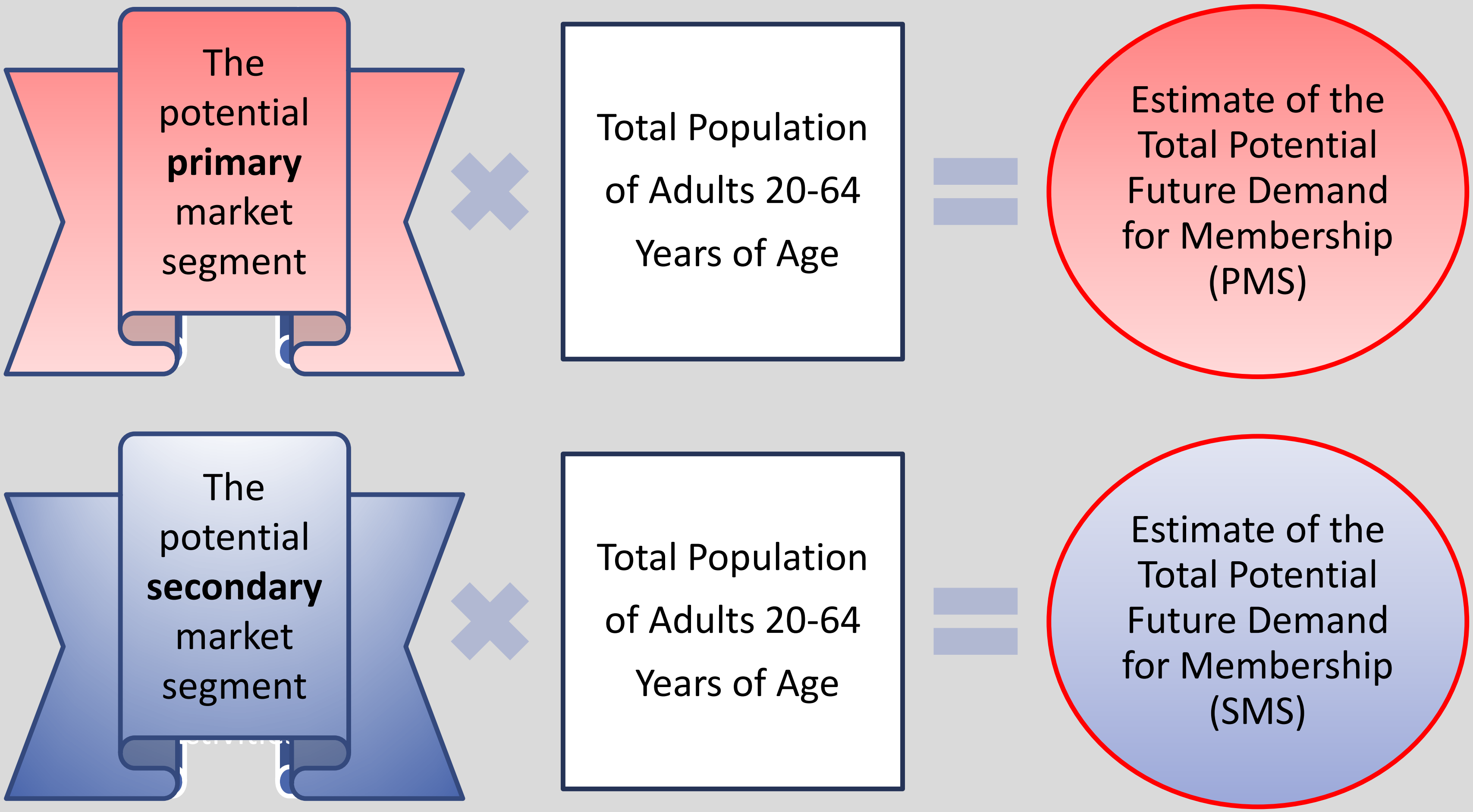
The potential **primary** market segment

- Adults 20-64 years of age who are ***somewhat likely*** to purchase an adult/family membership, pay monthly fee, and prefer adult/family membership

=

The potential **secondary** market segment

Total Potential Future Demand for Membership at the Proposed Facility



5. Application of capture/conversion rates to the potential market segments

Adult Membership (Discrete)

Market Segment (% of Total Respondents)	Extrapolated to the population of SH 20-64 yrs. of age	Recommended Capture Rate	# of Potential Adult Memberships
PMS 20.1% (16.6 – 23.6%)	900 – 1,275	50%	450 - 640
SMS 9.8% (6.3 – 13.3%)	340 – 720	40%	135 - 290

Total = 585 - 930

Family Membership (Discrete)

Market Segment (% of Total Respondents)	Extrapolated to the population of SH 20-64 yrs. of age	Recommended Capture Rate	# of Potential Family Memberships
PMS 16.9% (13.4 – 20.4%)	725 – 1,110	50%	360 - 550
SMS 4.7% (1.2 – 8.2%)	65 – 445	40%	25 - 175

Total = 385 - 725

Conclusions

- Summary of the Size of the Potential Market for Membership at the Proposed Facility

TOTAL MEMBERSHIPS

970 to 1,655 memberships

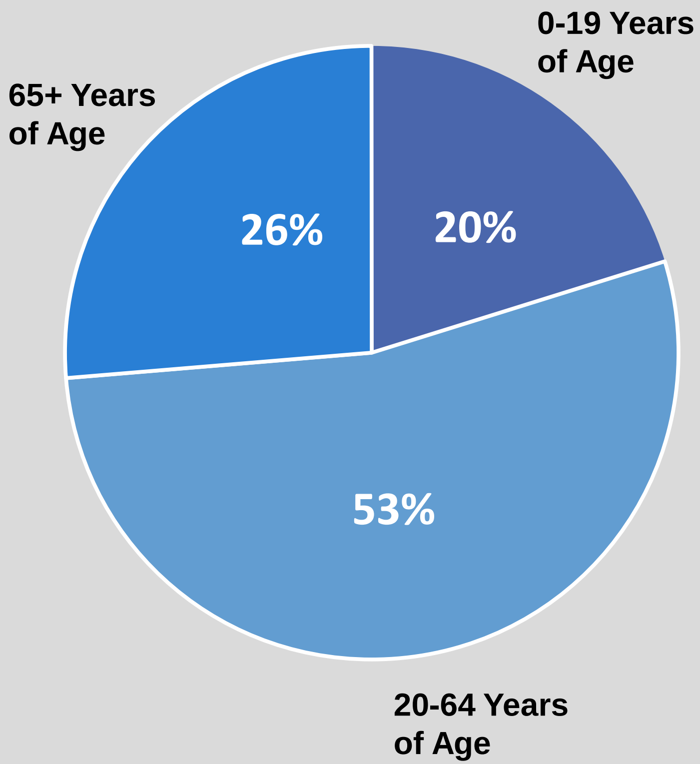
Significant General Level of Interest in Membership at the Proposed Facility

- 43.7% of adults 20-64 stated they were *very likely* to purchase an adult membership and 23.2% stated they were *somewhat likely* to purchase an adult membership **before the introduction of membership fees**.

= 66.9% of adults 20-64 years of age in the Market Area

Concern Regarding the Size of the Adult Population in the Market Area

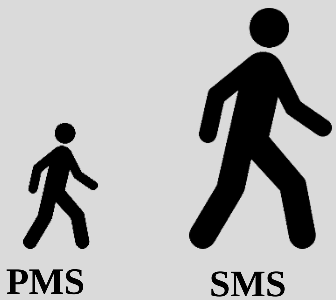
Total Population of South Huron = 10,105



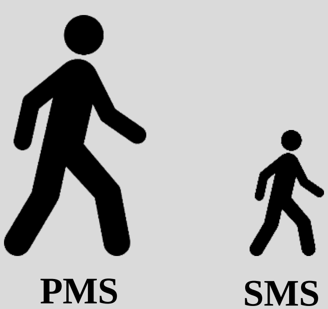
- The relatively small size of the population base will impact the viability of service provision.
- Efforts to maximize membership among those 65 years of age and older and those under the age of 20 will be critical.
- Scale the size of the indoor aquatic component to be consistent with the size of the market area & the size/characteristics of the potential market segments.

Concern Regarding the Size of the Potential Secondary Market for Membership

Typical results



South Huron results



- The size of the potential secondary market segments for adult & family membership is relatively small.
- All aquatic and fitness operations experience a "turn-over" among users. New members are drawn from both the primary and secondary market segments to replace the “turn-over”.
- Significant management and operations effort must be directed towards minimizing member attrition and improving member retention.

Concern Regarding the Size of the Potential Secondary Market for Membership (continued)

- Member service - ensuring a high level of member service on an on-going basis has to be a priority.
- Communicating and establishing the tangible value of membership in a meaningful manner.
- Monitoring attendance (participation) and encouraging regular use and participation.
- Providing an environment that supports and encourages social interaction among members and between members and staff.
- Providing relevant and convenient services - ensuring that the programs and activities services are of interest and any potential barriers to participation among members is minimized (e.g. services are provided at convenient times).
- Following up with non-renewing members to identify potential barriers to membership/participation at the facility and addressing those that can be attributed to service provision (as opposed to barriers such as changes in a person's health, as an example).

The Proposed Location in Exeter is Perceived to be Convenient

Exeter

Potential Demand for Participation in Selected Activities

Program/Activity	Potential Number of Participants*			
	PMS Adult Membership	SMS Adult Membership	PMS Family Membership	Total
Recreational swimming	600 – 850	150 – 315	505 – 775	1,255 – 1,940
Walking or running indoors on a track	600 – 850	120 – 260	490 – 750	1,210 – 1,860
The use of cardiovascular conditioning equipment	495 – 700	55 – 115	255 – 385	805 – 1,200
Lane or lap swimming	460 – 650	55 – 115	370 – 570	885 – 1,335
Aquatic fitness classes	460 – 650	135 – 290	385 – 595	980 – 1,535
Any type of group exercise class such as yoga, pilates, tai chi, aerobics, spinning or zumba	405 – 575	80 – 170	370 – 570	855 – 1,315
Warm water therapy or rehab	390 – 550	40 – 85	520 – 410	950 – 1,045
The use of weights or weight machines	300 – 425	55 – 115	285 – 440	640 – 980
Swim lessons or stroke improvement	250 – 350	–	355 – 540	605 – 890
Adult gymnasium sports	175 – 250	–	200 – 310	375 – 560

-- The proportion of respondents was not statistically significant.

* Numbers have been rounded to the nearest 5th.

Facility Components That May Maximize Membership Potential

- An indoor pool:
  - Consistently rated as an important factor to the decision to purchase membership
  - Aquatics among the activities that had the highest number of potential participants
- An indoor track:
  - Rated an important factor to the decision to purchase membership
  - Walking on an indoor track among the activities that had the highest number of potential participants
- A fitness conditioning centre:
  - Use of cardiovascular conditioning equipment among the activities that had the highest number of potential participants

Facility Components That May Maximize Membership Potential (continued)

- A facility to support group exercise classes (multi-purpose room or gymnasium):
  - Any type of group exercise class such as yoga, pilates, tai chi, aerobics, spinning or zumba among the activities that had the highest number of potential participants = multi-purpose room or gymnasium
  - Adult gymnasium sports were the least likely of all the activities tested to be participated in, suggesting ≠ gymnasium
  - However, consider a gymnasium as it is an essential component of a YMCA’s service provision model

Low Level Awareness of the YMCAs Across Southwestern Ontario in the Market Area

- The current level of awareness of the YMCAs Across Southwestern Ontario in the Market Area is relatively low

- Efforts should be directed to improving the level of awareness of the YMCAs Across Southwestern Ontario and the programs & services they provide, as well as the benefits and advantages of YMCA membership as a prerequisite to developing the market potential for adult membership in particular if the Municipality proceeds with the potential operation of the facility by the YMCA