



Simcoe Muskoka YMCA/West Parry Sound Recreation Complex Committee

Aquatic Facility Planning Study

Final Report

April 2010

dmA Planning & Management Services

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In association with:
Foundation Research Group

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Steering Committee
Aquatic Facility Planning Study
c/o Simcoe Muskoka YMCA
22 Grove St West
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Att: Mr. Tom Coon and Mr. Peter Hopkins

Dear Peter and Tom:

Please find attached our final report concerning the Aquatic Facility Planning Study.

The report predicts a membership base and revenue stream for the YMCA in Parry Sound on the assumption that an aquatic component is added to the existing facility. The analysis is largely based on the survey conducted with residents of the West Parry Sound area, although other background information; demographic data; and comparisons to similar YMCAs were taken into consideration. The results indicate significant interest and support for an indoor aquatic facility in the West Parry Sound area. This finding is consistent with a number of previous studies, including the 2008 Culture and Recreation Master Plan. The survey results also indicate considerable sensitivity to membership fees and this in combination with the population numbers and characteristics suggest that the facility would not be self-sustaining based on local membership. Consequently, if an aquatic facility is provided, a partnership and ongoing financial support will be required from area municipalities.

It has been a pleasure working with you and the other members of the Steering Committee on this project. I trust this information will assist you in determining the future of the YMCA in the West Parry Sound area.

Sincerely

A handwritten signature in black ink, appearing to read 'Jim Morgenstern', with a stylized, flowing script.

Jim Morgenstern, MCIP
Principal

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EXECUTIVE SUMMARY

The Aquatic Facility Planning Study complements the 2008 Culture and Recreation Master Plan¹ prepared for the West Parry Sound area. The Master Plan identified the need for indoor aquatic facilities. The principal focus of this assessment is the financial viability of an aquatic centre at the Parry Sound YMCA based on the willingness of residents in the West Parry Sound area to both use the facility and pay the membership and user fees that would be customary at a YMCA. The assessment was largely based on a statistically valid survey of West Parry Sound residents and an analysis of comparable YMCAs. The study estimates future YMCA membership and projects revenues which were compared to the typical operating costs for similar YMCAs to determine anticipated financial performance and requirements for ongoing subsidy. The following are the major findings:

- High levels of support for and anticipated use of an indoor aquatic facility were reported by West Parry Sound residents. This is consistent with previous studies, including the 2008 Master Plan.
- Residents were generally supportive of a partnership among the YMCA and area municipalities and municipal contributions to capital and operating costs.
- The high levels of support and absence of competing facilities indicate a YMCA in the West Parry Sound area would have a strong membership base. However, these considerations are somewhat constrained by the dispersed population and a reluctance to pay membership fees typical for YMCAs of this type. On balance, these considerations suggest a membership market penetration of not more than 10%, or about 2,000 members.
- Based on the anticipated membership and operating budgets of comparable YMCAs, an on-going operating deficit in the order of \$250-260,000 should be anticipated and an on-going annual municipal subsidy will be required to support the facility.

Assuming the partners elect to pursue the project, the next steps involve preparing a partnership agreement and detailed business plan; undertaking the architectural and engineering studies to confirm capital costs; and identifying funding sources.

¹ Parry Sound Area Culture and Recreation Master Plan. dmA Planning and Management Services. June, 2008.

1. INTRODUCTION

1.1. Study Purpose, Background and Scope

The Aquatic Facility Planning Study investigated the financial implications of adding an aquatic complex to the existing YMCA facility in Parry Sound. The current YMCA includes a gymnasium, fitness centre, multipurpose area and change rooms. For the purposes of this study, the additional aquatic components included a 4 lane 25 metre swimming pool, a family leisure pool and a hot tub.

The study area for the project was defined as West Parry Sound. This included the following municipalities: Town of Parry Sound; Townships of Seguin, McDougall, Carling, Archipelago, McKellar and Whitestone.

The Aquatic Facility Planning Study is not a needs assessment or feasibility study. This report complements the 2008 Culture and Recreation Master Plan² prepared for the Town of Parry Sound and the Township of Seguin and the Municipality of McDougall. The Master Plan identified the need for indoor aquatic facilities (relevant findings of that study are summarized in this report). The principal focus of this assessment is the financial viability of the proposed aquatic centre based on the willingness of residents in the West Parry Sound area to both use the facility and pay the membership and user fees that would be customary at a YMCA. The scope of the study does not include many of the components that would be a part of a detailed feasibility study, including a facility concept, space plan and capital costs or a detailed business plan and operating costs. The study does include an estimate of future YMCA membership and projected revenues. These revenues were compared to the typical operating costs for similar YMCAs to determine anticipated financial performance and requirements for ongoing subsidy.

It should also be noted that this study assumes that aquatic components are added to the existing YMCA building in Parry Sound. This assumption was adopted for the research, including the survey, and for the financial projections. While we understand that in the past interest was expressed in replacing the existing YMCA and adding aquatic components in a new facility developed in partnership with a new secondary school, this option was investigated and was not pursued because of limitations with the site and the ability to accommodate the proposed development.

² Parry Sound Area Culture and Recreation Master Plan. dmA Planning and Management Services. June, 2008.

Finally, we must emphasize that the financial analysis which is the focus of this study does not fully capture the potential benefits of the proposed facility for the West Parry Sound area. The literature and experience in other communities clearly indicates that modern, contemporary recreation facilities represent a strong return on investment for local communities. There is evidence to support the role that they play in attracting and retaining residents, a labour force and business. In addition, as Ontario communities face increasing costs associated with health care and lower productivity due to health issues, the role that quality recreation facilities play in addressing these problems is increasingly clear. Contemporary, well designed aquatic facilities are particularly relevant to a growing population of older adults in need of therapeutic programming. These benefits can be attributed to all modern recreation facilities, but there is an added advantage to enhancing the YMCA's presence in West Parry Sound. In addition to recreation, health and wellness programming, the YMCA offers a wide range of associated services for individuals and families. Day care and child services are a critical component of most YMCA operations and frequently fill a major gap in the community. The YMCA is also a leader in providing employment, social support and skill development programs for youth, older adults and new Canadians.

These important contributions that an expanded and improved YMCA can make to the West Parry Sound area were not the focus of this investigation. The study did not include community consultation or interviews with other service providers, local business or others where the social and economic benefits of the proposed facility could be elaborated upon. Consequently, while this study focused on financial impacts, one should not lose sight of the significant contribution that the proposed facility and an expanded presence for the YMCA will make in the local community.

1.2. **Study Process**

The Aquatic Facility Planning Study included three parts as noted below.

Part One: Research and Background Information Collected – established the context for the study by documenting socio-demographic and growth data, and reviewing relevant background information regarding existing facilities, aquatic activity trends and best practices and research on comparable YMCA facilities.

Part Two: Survey of the Community – the community survey was undertaken by the Foundation Research Group. There were 272 surveys completed based on a sample proportionate to the population and providing a statistically valid response for the study area. Analysis of the results was conducted and a report prepared documenting the survey results.

Part Three: Analysis and Report Preparation – Based on the results of this research and the survey, a market assessment and financial analysis was prepared to provide a preliminary assessment of the financial performance of the YMCA with the proposed aquatic components. A draft report was compiled with all analysis, conclusions and recommendations. The report was then revised and the final copy of the study report submitted.

2. FACTORS AFFECTING THE STUDY

2.1. Socio-Demographic Profile

This section presents population and socio-demographic characteristics for the West Parry Sound municipalities, using 2006 and 2001 Statistics Canada Census Profile data, and information received from the municipalities.

Description

The West Parry Sound area³ covers 2,832.47 square kilometres. The study area is comprised of seven municipalities, which for the purpose of this demographic section, will be separated into two groups. The Town of Parry Sound, Township of Seguin and the Municipality of McDougall represent the immediate census divisions surrounding the proposed facility and as such will be the primary focus of this section and will be referred to in subsequent sections of the report as the Primary Study Area (PSA)⁴.

The larger study area is bordered by Georgian Bay and the Surrounding Townships⁵ of Carling, to the west; the Township of Archipelago to the southwest and northwest; the Township of McKellar to the east; and the Municipality of Whitestone to the north. The Town of Parry Sound is the Primary Study Area's urban centre, surrounded by smaller settlements, waterfront residential development and rural lands. Located approximately 160 km south of Sudbury and 225 km north of Toronto, the Parry Sound Area has traditionally attracted cottage development and seasonal residences, resulting in population fluctuations by season.

³ West Parry Sound refers to all seven townships within the study area, comprised of both the Area and Surrounding Townships groups.

⁴ The Primary Study Area refers to the Town of Parry Sound, the Township of Seguin and the Municipality of McDougall.

⁵ Surrounding Townships refers to Townships of Carling, McKellar, The Archipelago and Whitestone.

Population Change and Characteristics

Table 2.1: West Parry Sound Population Trends and Forecast⁶

Year	Total Population	% Increase
1996	15,902	
2001	15,784	-0.01%
2006	16,607	5.2%
2009	17,105	3.0%
2011	17,447	2.0%
2016	18,319	5.0%

While West Parry Sound lost population between the years 1996 and 2001, this loss was regained and surpassed with growth to 2006, and modest increases are projected to 2016 (Table 2.1). The seven Townships show considerable difference in population between 2001 and 2006 as shown in Table 2.2.

Table 2.2: Permanent Population by Township

Municipality	1996 Population	2001 Population	2006 Population	Percent Change (2001-2006)
Township of Seguin	N/A	3,698	4,276	15.6%
Town of Parry Sound	6,326	6,124	5,818	(5.0%)
Municipality of McDougall	N/A	2,608	2,704	3.7%
Primary Study Area	N/A	12,430	12,798	3.0%
Township of Carling	952	1,063	1,123	5.6%
Township of McKellar	939	933	1,080	16.0%
Township of the Archipelago	555	505	576	14.1%
Township of Whitestone	802	853	1,030	20.8%
Surrounding Townships	3,248	3,354	3,809	13.6%
West Parry Sound	N/A	15,784	16,607	5.2%

Source: Statistics Canada Census 1996, 2001, 2006

⁶ Figures for 1996 to 2006 are from Statistics Canada Census. Figures for 2009 to 2016 are based on a yearly population increase of 1.0%.

Between 2001 and 2006, the Town of Parry Sound lost 5% of its population, and 3% between 1996 and 2001. The Municipality of McDougall grew by 3.7%, and the Township of Seguin's population increased by 16%. In 2006, Parry Sound had 45.5% of the PSA population, the Township of Seguin 33.4% and the Municipality of McDougall just over 21%. The Township of Seguin's seasonal population is approximately 15,000.⁷ The Municipality of McDougall's seasonal population is about 6,000.

Seguin Township staff indicate that much of the growth between 2001 and 2006 can be attributed to cottage conversions since the last Census. This point is supported by Census data that indicate proportionately higher movement into the Primary Study Area from other parts of Ontario since the 2001 Census than occurred province-wide. While Ontario experienced a considerably greater influx of people (6.6%) from outside the Province or Country than did the Parry Sound Area (1.8%), movement into the Area from other municipalities in the Province exceeded the provincial trend. For the Parry Sound Area as a whole, 15.6% of movers who had lived in the area for 5+ years prior to the 2006 Census came from another municipality in the Province. In Seguin and McDougall alone, this proportion was 19.4%. The comparable figure for movement Ontario-wide is 12%.

Local planners indicate that past trends for the PSA suggest slow, steady growth to continue into the future. An annual 1.0% increase in West Parry Sound population was suggested as a reasonable projection (the figure used in Table 2.1), with the understanding that this represents a combination of population loss from Parry Sound and increases in McDougall and Seguin. By 2016, permanent population for the West Parry Sound Area is projected to be approximately 18,319.

Table 2.3 illustrates dwelling characteristics by "community". There are 8,690 private dwellings in the PSA, of which 39.4% are seasonal dwellings. In the three Municipalities, the proportions of private seasonal dwellings are: Seguin 60%, McDougall 34% and Parry Sound 10%.⁸ In 2006, approximately 36% of households in the PSA were couples without children, compared to 27% and 26% for one-person households and households with children, respectively. Provincially, in 2006 31% of households were occupied by couples with children, 28% comprised couple households without children and 24% were single-person households. The relative predominance of couple

⁷ Source: municipal website

⁸ Data from the August 17, 2007 Regional Economic Development Advisory Committee Power Point Presentation. The year of the data was not referenced.

households with no children in the Parry Sound Area, in combination with an older population structure, supports the view that the PSA is a popular retirement destination.

Table 2.3: Dwelling Characteristics

	PSA	Surrounding Townships	West Parry Sound	Ontario
Total Private Dwellings	8,690	7,941	16,631	4,972,869
Private Dwellings Occupied by Permanent Residents	5,266	1,687	6,953	4,554,251
Private Dwellings Occupied on a Seasonal Basis (%)	39.4%	79.0%	58.2%	8.4%

Source: Statistics Canada 2006 Census

Age Distribution

The population of the Parry Sound Area is following the provincial aging trend. Overall, the PSA's population is older than the Province as a whole. In 2006, both the PSA as a whole and each of the three municipalities had proportionately less population in each of the age cohorts up to and including those 35 to 44 years of age. The PSA appears to be retaining its older residents and attracting retirees. In each of the three municipalities, the majority of residents in 2006 were over the age of 45 years - 55% in the Township of Seguin, 52.5% in the Town of Parry Sound, and 50.2% in the Municipality of McDougall. In the West Parry Sound Area, 22.3% of the population were 65 years of age and over, compared to 12.9 % in the Province of Ontario. This reflected the continuation of a local aging trend relative to 2001.

Table 2.4: Population Age Structure

Age Cohort	PSA (%)		Surrounding Townships (%)		West Parry Sound (%)		Ontario (%)	
	2001	2006	2001	2006	2001	2006	2001	2006
0-4 yrs	4.8	4.4	3.0	3.0	4.4	4.1	5.9	5.5
5-14 yrs	12.5	10.8	10.1	7.6	12.0	10.1	13.7	12.7
15-19 yrs	6.4	6.3	4.8	5.6	6.1	6.1	6.8	6.9
20-24 yrs	4.5	5.2	2.7	4.1	4.1	4.9	6.3	6.6
25-34 yrs	25.3*	7.6	21.0	5.9	24.4	7.3	30.8*	12.6
35-44 yrs	25.3*	13.0	21.0	10.5	24.4	12.4	30.8*	15.7
45-54 yrs.	14.6	16.1	16.5	18.1	15.0	16.6	14.3	15.3
55-64 yrs	12.8	15.2	17.9	19.9	13.9	16.3	9.3	11.2
65- 74 yrs	10.0	11.1	16.7	16.9	11.8	12.4	7.2	7.1
75 + yrs.	8.5	10.3	7.3	8.3	8.2	9.9	5.7	6.4
Total %	100	100	100	100	100	100	100	100
Total	12,430	12,798	3,354	3,809	15,784	16,607	11.4m	12.1m

Source: Statistics Canada Census, 2001, 2006

* 2001 data combined 25-34 yr. and 35-44 yr. age cohorts into 25-44 yr. age cohort

Employment and Income⁹

- Of the total experienced labour force in 2001 (6,210 persons), the three largest occupational categories were: sales and service (32%), trades, transport and equipment operator and related occupations (19%), and business, finance and administration (12%).
- Two-thirds of major employers in the region belong to the accommodation and food and beverage sector of the economy, while just over 1/3 are in the retail sector. The majority of jobs, therefore, are seasonal, lower paying positions.¹⁰

⁹ Data from the August 17, 2007 Regional Economic Development Advisory Committee Power Point Presentation. The year of the data was not referenced, but it is assumed that the most recently available (2001) Census data were used; release dates for this information for 2006 Census were March and May 2008.

¹⁰ Muskoka Nipissing Parry Sound Local Training and Adjustment Board. Trends, Opportunities, Priorities (TOP) Report. January 2007.

- As indicated in Table 2.5, median individual earnings for full-time workers (2005) in the PSA are slightly above those of the District of Parry Sound but were lower than the Province as a whole.
- The 2005 median income for families in the PSA was \$59,472, compared to \$69,156 for the province as a whole.
- The PSA had a lower 2006 unemployment rate (5.3%) than the Province (6.4%).

Table 2.5: Individual Earnings*

Earnings	Parry Sound (2005)	McDougall (2005)	Seguin (2005)	Surrounding Townships ¹¹	District (2005)	Ontario (2005)
All persons with earnings (% of total population)	54%	63%	57%	56%	54%	57%
Median earnings (all persons with earnings)	\$20,458	\$25,002	\$22,288	---	\$20,535	\$29,335
Worked full year, full-time (% of total population)	24%	29%	28%	22%	25%	30%
Median earnings (worked full year, full-time)	\$37,149	\$39,354	\$39,947	---	\$37,349	\$44,748

*Source: Statistics Canada 2006 Census. Earnings refer to money earnings from wages or self-employment only.

Summary

The West Parry Sound Area is a rural/urban mix of population that is relatively homogenous and aging consistent with national trends. Its population is older than that of the Province of Ontario as a whole. It displays a mix of household types, with more households comprised of couples than single person households or households with children. Permanent residents are more likely to be employed in the service sector, with relatively lower household incomes and earnings than for the Province as a whole.

As a seasonal destination, the relative proportion of seasonal to permanent residents is quite high, particularly in the Township of Seguin and the Municipality of McDougall. As part of a long-established vacation and cottage region - the West Parry Sound Area municipalities continue to experience growth in seasonal residential development.

¹¹ The median earnings (all persons with earnings) for each of the Surrounding Townships are: Carling (\$26,082), McKellar (\$23,143), The Archipelago (\$14,983) and Whitestone (\$16,003).

The median earnings (worked full year, full-time) for each of the Surrounding Townships are: Carling (\$42,188), McKellar (\$39,136), The Archipelago (\$22,835) and Whitestone (\$36,039).

The Parry Sound Area's recreational property market has shown a steady, marginal increase over the past few years. The recent expansion of Highway 400 and the opening of a new health care facility will likely continue to make the area attractive to seniors searching for permanent retirement residences.¹² At the same time, there is an increasing trend towards converting cottages to permanent residences, as greater numbers of the aging population move into their retirement years.

2.2. Cultural and Recreation Master Plan (2008)

This section summarizes the relevant information and results from the community input and recommendation sections of the Cultural and Recreation Master Plan (2008) regarding aquatic activities. Appendix A of this report is an excerpt from the Master Plan addressing aquatic facilities. This study is consistent with the directions recommended in the Master Plan.

2.2.1. Community Input

The community consultation component of the Master Plan consisted of several activities, including: key informant interviews, a resident survey and an online survey for sports and recreation groups. Results and general themes of each of these activities relating to aquatic facilities and activities are summarized below.

2.2.2. Key Informant Interviews

Personal interviews were conducted with approximately two dozen staff and community representatives, either in person or via telephone. The following themes were relevant to this study:

- No municipal indoor pools and limited access to other indoor pools; accessibility and maintenance issues, especially for older facilities; need to identify facility-based activity nodes;
- Need to tailor facilities and services to an aging, active population; need more recreation opportunities for youth, especially unstructured, drop-in activities offered in appropriate, available facility space;
- Need to balance resource allocation to culture and recreation services, and to ensure adequate, continuous/guaranteed funding is available to sustain and build services;

¹⁰ Royal LePage Recreational Property Report Summer 2009, p. 12

2.2.3. Resident Survey

A total of 470 respondents completed the on-line questionnaire: 46.7% from the Township of Seguin, 28.7% from the Town of Parry Sound and 24.6% from the Municipality of McDougall. Seventy three percent of respondents were permanent residents and 24% were seasonal.

The following survey results summarize residents' needs and interests relating to recreation and aquatic facilities.

- 55% of survey respondents had participated in individual recreation and cultural activities over the past year and 45% had done so within organized groups. (TR = 246)¹³.
- Recreation activity participation in the past year: individual outdoor sport/recreation; (82%); individual indoor sport/recreation (59%); indoor organized sport/recreation (47%); outdoor organized sport/recreation (37%) (TR= 391).
- Location of participation: Parry Sound (84%); Seguin (58%); McDougall (35%) (TR = 443).
- The three most limiting factors to participation in sports and recreation activities or services are: lack of awareness of available programs and services in the community (62.9%); facilities we would like to use are not available (47.9%) and programs I am interested in are not provided (43.5%) (TR = 407).
- The majority of respondents (64%) indicated that there are recreation programs or activities that they or members of their household would like to do that they are not doing now, or would like to do more often. As shown in Table 2.6, swimming/pool activities is the number one desired activity with 72.4% of the respondents indicating it as their top choice.

Table 2.6: Activities Respondents Would Like to Start or Do More Often

	Activity 1 (n=294)	Activity 2 (n=172)	Activity 3 (n=114)
Swimming/pool activities	72.4% (213)	20.3% (35)	18.4% (21)
Arts and culture	7.5% (22)	23.2% (40)	12.2% (14)
Indoor sports and recreation	7.1% (21)	29.1% (50)	19.3% (22)
Trail-based activities	4.4% (13)	8.1% (14)	16.7% (19)
Arena activities	2.4% (7)	-	3.5% (4)
Outdoor organized sports	1.2% (4)	4.1% (7)	3.5% (4)
Outdoor water activities	1.0 % (3)	2.9% (5)	6.1% (7)
Teen activities	-	2.3% (4)	4.4% (5)

¹³ Total respondents (TR) is shown for each question.

- Facilities or natural features that respondents or other members of their household have used for recreation in the past year: lakes or rivers 88%; trails 78%; public beaches 79%; parks 64%; arenas 58%; boat launches 54%; outdoor sports facilities 52%; community halls 51%; indoor sports facilities 34%; and swimming pools 28%. (TR = 454).
- Fifty nine percent (59%) of respondents indicated that the recreation and culture facilities in the Parry Sound Area do not meet the needs of their household. (TR = 457).
- Almost all (98.5%) of these respondents indicated that new or upgraded facilities are required (TR = 271), and 91% of these reported need for new/upgraded recreation facilities.
- Needed recreation facilities include an indoor pool (87% or 125 of 144 responses); indoor recreation facilities (21%); more/improved arenas (15%); more/improved trails (5%), and waterfront development/improvements (4%). Of all respondents reporting engagement in culture or recreation activities not offered locally, 52% indicated that they go elsewhere for aquatic activities; most often to Bracebridge and/or Huntsville.
- Three quarters of the respondents would be willing to pay for new or improved facilities/services through user fees, and 21% indicated support for increased taxes. (TR = 265)

Sport and Recreation Groups Questionnaire

Fifty nine groups were invited to participate in the online survey of sport and recreation groups with 28 responding. The following summarizes the survey results:

- The responding groups were primarily hockey leagues, snowmobile associations, sailing clubs, swim groups, and drop-in pre-elementary school playgroups. Groups providing indoor activities were generally better represented than those providing outdoor activities.
- With the exception of interest in an indoor pool for extensive use for Orrville Community Centre swim programs there is limited demand for additional facility time.
- The Orrville Community Centre Management Committee has experienced increased participation between 2003 and 2006/7 and currently uses indoor pools in Huntsville and Bracebridge for their swim programs.
- A number of groups suggested an indoor pool capital project be undertaken by Parry Sound and area municipalities.

2.3. Aquatic Participation and Facility Trends

The following table provides national and provincial data on participation trends in aquatic activities. Collectively, they point to increasing participation rates in most areas of aquatics.

Table 2.7: Aquatic Activity Participation

<p>Canadian Participation¹⁴</p>	<p>Out of nearly 100 sports played in Canada, adult participation is highly concentrated in a limited number: golf (5.7%), ice hockey (5.0%), swimming (2.9%)... For active men, participation was concentrated in hockey (25.9%), golf (25.2%), basketball (9.7%), soccer (8.8%) and baseball (7.7%). Active women participate most frequently in swimming (18.7%)...</p> <p>Active children participate most frequently in soccer (44.1%), ice hockey (26.1%), swimming (24.8%)...Active boys' top sports are the same as those for children in general: soccer (44.4%), ice hockey (33.8%), swimming (20.5%)...Active girls participate most frequently in soccer (43.7%), swimming (30.3%)...</p> <p>Among the top five sports in which children participated in 2005, swimming participation had increased to 24.8% from 22.9% in 1998</p>
<p>Swim Instruction</p>	<p>The Sears I Can Swim Program, first developed by Swimming Canada and now owned by Swim Educators of Lindsay Park, is a non-competitive learn-to-swim program that promotes active, healthy living. Sport modules offered include: I Can Water Polo, I Can Synchro, I Can Dive, I Can Triathlon and other sports involving aquatics. In the 2008 season, there were 23,850 participants in the Sears I Can Swim Program nationwide. So far, in the 2009 season approximately 14,225 swimmers have participated, although this number is expected to increase upon completion of the season 15</p> <p>Canadian Red Cross statistics indicate higher levels of participation in 2006 than in 2001, in two of three areas of instruction. Participation in water safety programs was 24% higher in 2006; first aid program participation was 14% higher; participation in leadership levels was 30% lower. Overall, however, participation was 20% higher in 2006 than in 2001, and represented 620,717 program participants in the more recent year.</p> <p>In the fall of 2008, Red Cross launched a new, curriculum-based Swim@School program. This participation-based program offers basic swimming skills, stroke development, fitness and water safety to school-aged children. Participants are challenged to achieve their personal best. Dry-land education accompaniment "Red Cross Water Safety Brain Games" is taught in the classroom or at the pool.</p> <p>Provincially, swimming lessons are run primarily by Red Cross and the Lifesaving Society, with the latter gaining a larger share of the Ontario (estimate 50%) market since RLS started offering learn-to-swim programs three years ago. The total number of participants in learn-to-swim programs has increased, although increases vary by age group.¹⁶</p> <p>Ontario participation in Red Cross swim programs increased by 20% from 2001/02 to 2005/06. Participation in swimming lessons varies across age groups. Participation in preschool programs for children aged 3-5 years, and for parent-tot swim, have increased since Red Cross began offering new programs targeted to these groups.</p>

¹⁴ Fidelis Ifedi. Sport Participation in Canada, 2005. Statistics Canada. Ministry of Industry. February 2008.

¹⁵ Sears I Can Swim Program. (November, 2009). Personal Communication.

¹⁶ October 2006 telephone interview with Program Director for RLS Ontario.

	<p>The bulk of programming for both the Red Cross and the Lifesaving Society is offered to children in elementary school. Beyond this age group, participation numbers in swim lessons declines as children become interested in other sports. Teen and adult participation in swimming lessons is relatively low. Numbers have increased among adults aged 55 years and over as they enrol in courses to learn/relearn swimming skills and/or for leisure and social purposes.</p>
Self-Rescue	<p>The Lifesaving Society's Swim to Survive program is a campaign aimed at reducing drowning by 50% within 10 years by teaching essential skills to survive a fall into deep water. The program was launched in 2005, and is directed to all Grade 3 students through elementary schools.</p> <p>The Lifesaving Society also reports parents are increasingly enrolling children around 12 years of age in programs that provide them will self-rescue skills while engaged in water-based activities.</p>
Recreational Swimming	<p>Although these data do not distinguish between types of aquatic participation (e.g., instruction, recreation etc.):</p> <p>Swimming is the most popular facility-based sport among adults over 20 years of age.¹⁷</p> <p>Swimming is the third most popular activity among youth 20 years and younger with 45% actively participating in the sport. There is, however, a decrease in popularity with age as youth begin to try different sports.¹⁸</p> <p>As the population ages and older adults remain active well into their 80s and beyond, services that support this low impact, aerobic activity will be in increasing demand.</p> <p>Swimming is the most integrated sport in Canada, both provincially and nationally; which will likely lead to relatively strong increases in future participation. SWAD (Swimmers with a Disability) Canada continues to pursue high performance swimming opportunities and development initiatives to attract and train athletes; development initiatives in Ontario were provided with support in October 2005.¹⁹</p>
Therapeutic Programming	<p>Specialized aquatic programs are increasingly being recommended as a form of therapy for seniors and others with acute or chronic conditions (e.g., for stroke recovery, flexibility for arthritis sufferers, etc.). Although specific data on need is not readily available, an aging population suggests that basic facility requirements can be assumed including warm pools at an adequate depth for arthritic swimmers, adequate accessibility into the facility, and seniors' programs that are scheduled for daylight hours.</p>

¹⁷ Canadian Fitness and Lifestyle Research Institute. 2005. Statistics Canada, Canadian Community Health Survey, 2005.

http://www.cflri.ca/eng/statistics/surveys/documents/pam2005_tables.pdf

¹⁸ Canadian Fitness and Lifestyle Research Institute, 2005. 2005 Physical Activity Monitor.

http://www.cflri.ca/eng/statistics/surveys/documents/pam2005_sec1.pdf

¹⁹ Swimming Canada. 2005-06. Swimming Canada Annual Report 2005-06.

http://www.swimming.ca/swimming/index_e.aspx?DetailID=1006

<p>Synchronized Swimming</p>	<p>National participation levels in synchronized swimming have been relatively stable over the last five years. There are approximately 7,000 members registered with Synchro Canada, as well as another 20,000 recreational participants in the sport. Participants range in age from eight to 85. 98% are female, although the interest in males is growing²⁰ Much like diving, synchro enjoys a high profile through the success of Canadian athletes in international competition. The limiting factor to growth is the lack of facilities and programs in many Provinces and the high costs associated with facility use.</p> <p>In partnership with Synchro Canada, Red Cross offers AquaSquirts and AquaSquirts Too! as a complementary program for ages 6 to 11 to grow participation in Synchro, increase skills, and have fun in the water</p> <p>Synchro Swim Ontario recently launched Try Synchro! with a grant from the Ministry of Health Promotion's Active 2010 Sport Priority Funding Program to increase participation in the sport. There are 3 program goals including: encouraging clubs to introduce the sport to new participants; that each club maximize attendance based on resources available; and to increase participants in synchronized swimming programs.</p>
<p>Competitive Swimming</p>	<p>Swim Ontario reports that participation in competitive swimming is increasing slowly, with fluctuations across age and gender. Overall, there are more female swimmers. For children 12 years and under, there are generally more female swimmers, and for teenagers 16 and over, the number of female participants declines slightly while the number of male participants increase. Ontario participation is at its 4th highest level in 17 years</p> <p>Viewed as a 5-10 year trend: there will consistently be 9,500 to 10,500 competitive swimmers in Ontario.</p> <p>Swimming/Natation Canada recorded 10,026 registered, affiliated or pre-competitive members²¹ in Ontario during 2005/06, representing an increase of 3.2% since 1999-2000. Cross-Canada membership in the same categories for 2005/06 was 29,292, representing a national increase of 11.5%.</p>
<p>Water Polo</p>	<p>Participation in water polo has increased slowly in the past three years. There are currently an estimated 1600 members in the province of Ontario. Water polo is a sport generally played by adults, with performance peaking in late 20's to early 30's.</p> <p>Ontario Water Polo received a grant from the Ministry of Health Promotion's Active 2010 Sport Priority Funding program to increase interest and participation in the sport. The organization has a mandate to boost participation to 5,000 members by 2012.²²</p>

²⁰ Synchro Canada (no date). Retrieved from
http://www.synchro.ca/index.php?option=com_content&task=category&id=17&Itemid=27

²¹ Excludes masters

²² Ontario Water Polo. 2006.

2.4. Comparable YMCA Facilities in Ontario

Three YMCA facilities serving similar rural/urban communities in Ontario were contacted to provide information on primary recreation facility components, their membership profile, estimated catchment area population, recent budget information, and the nature of the municipal partnership, if any. The case study facilities were the Wasaga Beach YMCA, the Clarence-Rockland YMCA, and the Goderich YMCA. These case studies were selected because they best represent YM/YWCAs that serve a similar size population in a mixed urban/rural catchment area. Information on the current Parry Sound YMCA (without the pool) is also provided for comparison purposes. It should be noted that information noted here is as provided by the YMCAs. We have not undertaken a detailed assessment of the financial statements to ensure that they are comparable and it is possible that different reporting methods were used and the results are not directly comparable. We have also not attempted to verify information received concerning memberships or service areas.

2.4.1. The Wasaga Beach YMCA

The Wasaga Beach YMCA is located in the Oakview Recplex in the Town of Wasaga Beach in Simcoe County. Wasaga Beach is located on Georgian Bay, bordered by the Town of Collingwood to the west, the Township of Clearview to the southwest, Springwater to the southeast, and Tiny Township to the northeast.

Facility Components

The 35,000 sq. ft. Wasaga Beach YMCA is part of the municipal Oakview Recplex, and includes the following facility components:

- a four lane, 25 metre swimming pool, warm water play pool, and therapeutic pool,
- a fitness studio, conditioning centre with cardio and strength training equipment and a free weights area
- a regulation gymnasium, part of a multipurpose hall, shared with the Recplex

Membership Base

In June 2009, the Wasaga Beach YMCA had 3,366 members. The breakdown of membership by category was as follows:

- 19% were involved in single parent family memberships, including all regular family memberships and plus family memberships,
- 20% were involved in family memberships, including all regular family memberships and plus family memberships
- 31% were individual members, including 12% adult and adult plus members, 7% child members, 5% senior and senior plus members, 3% students, 2% seasonal students, and 2% youth,
- 9% were couple memberships, including couples, couple seniors, and couple 'plus' members
- 21% were fee assisted memberships

Catchment Area Population

The Wasaga Beach YMCA staff estimate a catchment area population of between 30,000 and 35,000 residents. We compared this to an estimate of the catchment area population using the 2006 Census population of the Town of Wasaga Beach, plus an estimate of the percentage of residents in surrounding municipalities who would be more likely to use a Wasaga Beach facility than other nearby pools or Y facilities. Table 2.8 provides an estimate of Wasaga Beach YMCA catchment area population based on the 2006 Census data.

Table 2.8: Estimated Catchment Area Population, Wasaga Beach YMCA

Municipality	Population (2006)	Households* (2006)
Wasaga Beach	15,029	6,235
Clearview Township (est. ½ population and households):	7,044	2,505
Tiny Township (est. ½ population and households)	5,392	2,170
Town of Springwater (est. ½ population and households)	8,728	2,973
Total	36,193	13,883

- 2006 Census, Total Number of Households occupied by the usual residents.

Market Capture

The catchment area population estimated using Census data was very similar to that estimated by staff. For the purposes of this study, we have assumed a catchment area of about 35,000 residents. Based on this, almost 10% of the population in the catchment area for the Wasaga Beach YMCA held some form of membership in 2009.

Financial Information

For the budget year July 2008-June 2009, revenues totalled \$1,268,097. Membership fees accounted for approximately 90.0% of total revenues. Philanthropic support accounted for 2.5%, Program Fees accounted for 2.3%. Rentals and recoveries, and sundries accounted for 5.7%.

For this period, expenses²³ totalled \$1,226,180. Staff and volunteer expenses accounted for 52.0% of the total, facility costs for 19.5% and program and other expenses for 28.5%.

The YMCA-Municipal Partnership

The Town of Wasaga Beach was responsible for the initial capital cost of the YMCA addition to the Recplex. The YMCA of Simcoe/Muskoka assumed responsibility for the equipment and furnishings, and currently operates the facility as well as other community and recreation programs throughout the Town.

2.4.2. Clarence-Rockland YMCA

The Clarence Rockland YMCA is located in the City of Clarence-Rockland, within the United Townships of Prescott and Russell. Clarence Rockland is located east of the City of Ottawa along the Ottawa River, bordered to the east by the Township of Alfred and Plantagenet, and to the south by the Municipality of The Nation/La Nation.

Facility Components:

The recreational components of the Clarence-Rockland YMCA are part of a larger complex that includes a secondary school. In addition to the YMCA components of the complex, there is a combined municipal/secondary school library and an auditorium/cultural centre shared by the school and the municipality. The primary YMCA facility components include:

- A 25 metre 6-lane pool and children's teaching pool;
- A fitness centre with cardio and strength equipment, a group fitness area and cycling studio;
- A regulation size gymnasium.

²³ Note – the Wasaga Beach expenses include allowances for depreciation and administrative charges (which would include "head office" expenses that are attributed to the local YMCA operation). It is not clear to what extent the other YMCA budgets included these expenses.

Membership Base

The Clarence-Rockland YMCA opened in November of 2008. By December of 2009, the Y had exceeded its projected 5-year membership target of 3,000 individuals with 3,023 members. The breakdown of membership by category was as follows.

- 57% were family memberships, including all “core” and “inclusive” family memberships;
- 23% were individual members, including (of the total number of members) 9% adult members, 2% child members, 5% seniors, and 7% were students or youth;
- 9% were adult couple memberships, including “core” and “inclusive” couple members;
- 5% were senior couple memberships, including “core” and “inclusive” couple members;
- 6% were fee assisted or sponsored memberships.

Catchment Area Population

The 2006 Census population for the City of Clarence-Rockland was 20,790. It is assumed that the Clarence-Rockland YMCA primarily serves the population of the City of Clarence-Rockland, given the proximity of other YMCA and municipal facilities in the Regional Municipality of Ottawa-Carleton, immediately to the west. The December 2009 population estimate for Clarence Rockland is approximately 23,000 residents. It is likely that some Clarence Rockland members are attracted from the municipalities in Prescott Russell to the east and south, however, the numbers are likely to be limited. These are rural areas and commuting times would discourage membership.

Market Capture

Based on a catchment area population of approximately 23,000, and a total membership of 3,023 for December 2009, about 13% of the catchment area population held some form of membership with the Clarence-Rockland YMCA in 2009.

Financial Information

For the budget year ending December 2009, revenues totalled \$1,014,876. Membership fees accounted for 69% of total revenues. Program and service fees accounted for 22%. Purchase of service agreements accounted for 8%²⁴, and rental fees for external programs accounted for 1%.

For the 2009 budget year, expenses totalled \$1,014,876. Salaries accounted for 61% of expenses, occupancy costs for 17%, and purchase of service costs and other expenses for 22%.

²⁴ It is important to note that purchase of service agreements accounted for about \$86,000 for the 2009 budget year, and without this, the facility would have operated at a deficit.

The Y-School-Public Library Partnership

The Clarence-Rockland YMCA involves a number of facility partners, including the City of Clarence-Rockland, the National Capital Region YMCA/YWCA, Conseil Scolaire District Catholique de l'Est Ontarien and the Clarence Rockland Public Library Board. This multifaceted partnership created a viable facility in a small, largely rural municipality. The Complex is owned by the City, located, via a land lease, on property owned by the Conseil Scolaire District Catholique de l'Est Ontarien (and physically connected to the existing secondary school). The Library Board relocated an existing branch to become part of the facility. The National Capital Region YMCA is the operator of the recreational components of the Complex, under contract to the City. The City has assumed any operating deficit for the first 5 years of operations or to a maximum of 5 years. Once the YMCA demonstrates profits, the Y pays back to the City amounts from the deficit years. For the following years, the YMCA will return 50% of their profits to the City to create a reserve for capital expenditures.

2.4.3. Goderich-Huron YMCA

The Goderich-Huron YMCA operates in the Maitland Recreation Centre in the community of Goderich, in the Municipality of Central Huron, within Huron County. The nearest urban centres are Kitchener, about an hour and a half drive to the south east, London, about an hour and a half drive to the south, and the Stratford-Perth YMCA located in Stratford, about an hour to the south east.

Recreation Facility Components

The Maitland Recreation Centre includes the following facility components:

- An NHL arena, with seating capacity of 1,147, an arena lounge, 5 changerooms, a referees room and a first aid room
- A 200 yard, 3 lane running walking track around the arena concourse
- A regulation size gymnasium with full basketball court, volleyball/badminton court, and rock climbing wall
- A six-lane 25 metre pool with a diving board, waterslide and family fun zone, Jacuzzi hot tub, sauna and deck area
- Fitness/wellness areas including a healthy hearts program and assessment area, aerobics and fitness space, community meeting room, weight and cardio equipment area,
- Concourse with food services.

Membership Base

In December 2009, The Goderich-Huron YMCA had 2,943 members. The breakdown of membership by category was as follows.

- 46% were family members
- 3% were YMCA employee adult, spouse, child, or teen members,
- 24% were individual members, including 17% adult members (incl. seniors), 6% child members and 2% were students or youth,
- 5% were adult couple members (adults and seniors),
- 1% were health program members, and less than 1% were squash members,
- 21% were fee assisted members

Catchment Area Population

The 2006 Census population for the Town of Goderich was 7,563. The municipalities surrounding Goderich and most likely served by the Goderich YMCA include the Municipality of Central Huron, the Township of Ashfield-Colborne-Wawanosh, and the Municipality of Bluewater. In 2006, these municipalities had a combined population of 20,170. Staff estimate the catchment area population of the Goderich YMCA at approximately 21,000 in 2009.

Market Capture

Based on a catchment area population of approximately 21,000, about 14% of the catchment area population had some form of membership with the Goderich YMCA in 2009.

Financial Information

Financial information for the Maitland Recreation Centre, exclusive of the arena and community programming, was considered in this analysis.

For the 2009 budget year, revenues for the YMCA portion of operations totaled \$1,018,183. Membership fees (less discounts and allowances) accounted for 81%. Program fees accounted for 11%. Non-government purchase of service agreements and revenue from governments accounted for 2%. Supplies and other services accounted for 5% of total revenues.

For the 2009 budget year, expenses totaled \$1,019,377. Salaries and benefits, staff development and expenses accounted for 61%, occupancy costs for 22%, equipment and supplies for 13%, purchased services for 1%, and liability insurance for 3%.

The total revenues for the entire Maitland Recreation Centre complex, including the arena, community programming and administration, totaled \$1,532,839, and expenses totaled \$1,873,702. The municipal grant for the operation of the entire complex, including the arena, community programming and administration totaled \$340,863.

Municipal-YMCA Partnership

Through a partnership with the Town of Goderich, the YMCA of Goderich-Huron operates all of the major recreational facilities in the Town previously operated by the municipality. These include the Maitland Recreation Center, the Memorial Arena and auditorium, Agriculture Park with a baseball and softball diamond, and soccer field, as well as a multi-purpose baseball diamond located on the grounds of Goderich District Collegiate Institute.

2.4.4. Parry Sound YMCA

The Parry Sound YMCA Youth and Family Centre is located in the Town of Parry Sound. While this facility does not include an indoor pool and therefore is not directly comparable to the other case study facilities or the one being proposed, it does offer baseline data on the current market and membership base.

Recreation Facility Components

The Parry Sound YMCA includes the following recreation facility components:

- A regulation size gymnasium
- A fitness/conditioning centre with cardio, resistance and strength training machines, free weights, and fitness classes
- Meeting and program rooms

Membership Base

In January of 2009, the Parry Sound YMCA had a total of 261 members. The breakdown of membership by category was as follows:

- 10% were one parent family members; 9% were two parent family members
- 56% were individual members, including 4% child members, 0% youth members, 2% student members, 5% seasonal student members, 39% adult members, and 7% seniors
- 11% were couple members, including 8% adult couples and 3% senior couples

- 14% were fee-assisted members.

Financial Information

For the 2009 budget year, revenues totaled \$153,354. Membership fees accounted for 63% of total revenues. Program fees accounted for 7%, Annual Giving for 9%, Rentals and Recoveries for 13%, Building Fund fees for 6%, and Program Grants for 3%.

For the 2009 budget year, expenses totaled \$225,839. Salaries, benefits, and volunteer expenses accounted for 57%, facility expenditures accounted for 35%, and program and other expenditures accounted for 8%.

2.4.5. Case Study Summary

Table 2.9 summarizes the data compiled for the comparable case study YMCA facilities.

Table 2.9: Case Study Comparison Summary

	Wasaga Beach	Clarence-Rockland	Goderich-Huron	Parry Sound (without pool)
Catchment Area Population	35,000	23,000	21,000	17,100*
Market Penetration	10%	13%	14%	N/A
Members 2009**	3,366	3,023	2,943	261
family	39%	57%	48%	19%
couple	9%	23%	5%	56%
individual	31%	14%	26%	11%
fee assisted	21%	6%	21%	14%
Revenues	\$1,268,097	\$1,014,876	\$1,018,183	\$153,354
Expenses	\$1,226,180	\$1,014,876	\$1,019,377	\$225,839

* Assumed to include the West Parry Sound Population as of 2009, shown in Table 2.1.

** Family memberships include single parent and two parent families, and family plus memberships. Couple memberships include adult and single couples. Individual memberships include all categories of individual memberships, as well as staff memberships, and health club memberships.

*** For Goderich-Huron, family memberships also include YMCA employee families, and individual memberships include individuals plus healthy hearts program and squash members.

3. COMMUNITY SURVEY RESULTS - SUMMARY

During November 2009, 272 residents of the West Parry Sound Area and surrounding municipalities completed a community telephone survey as part of the Aquatic Facility Planning Study. A representative number of residents from each area completed the survey, based on population distribution among the study area communities. Following is the summary of completed surveys for each geographic area.

Table 3.1: Completed Surveys by Geographic Area

	Completed Surveys	% of Total
Town of Parry Sound	124	46%
McDougall, Archipelago, Carling Twps.	37	14%
Seguin Twp.	59	22%
McKellar Twp.	44	16%
Whitestone Mun.	8	3%
Total	272	100%

Following is a brief summary of the key findings of the community telephone survey.

3.1. Survey Findings

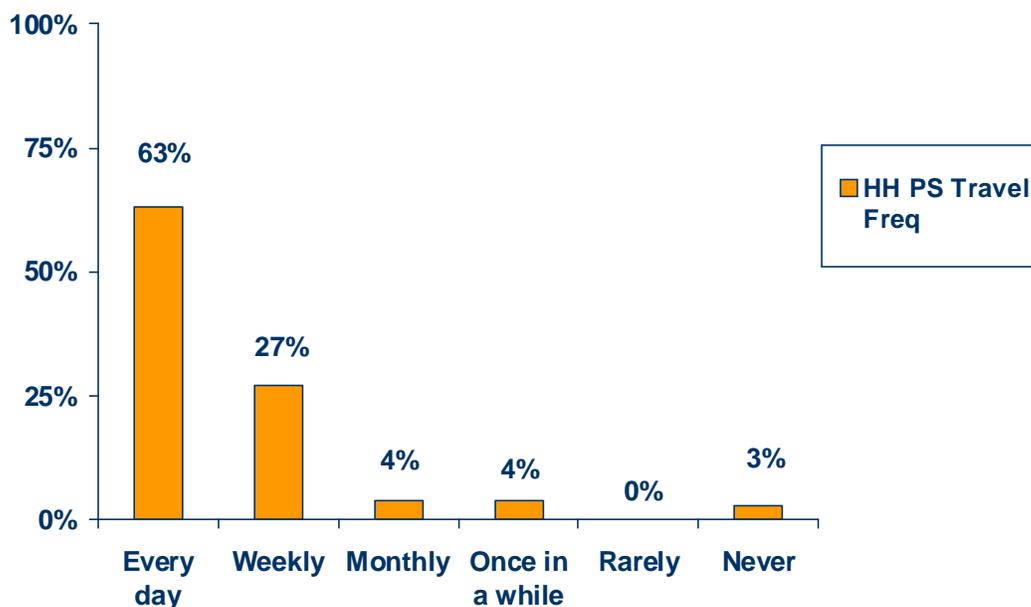
3.1.1. Household Demographics

The majority (66%) of respondents were female, with the remaining 34% male. The most common category of pre-tax household income for 2008 was \$60,000 to under \$100,000, involving 25% of respondent households. A further 24% of respondents declined to answer the question, and 22% had a pre-tax household income between 30,000 and \$60,000. Remaining respondents were spread relatively evenly among the other categories. More respondents had lived in the West Parry Sound area for over 30 years than for any other category (37%). A further 34% lived in the area for between 11 and 30 years, and 30% lived in the area for less than 11 years. More respondents (48%) were between the ages of 45 and 64 than any other age category. Responding households

most commonly included 2 people (44%), while 18% included 3 people, 15% included 3 people, 14% included 1 person, and 9% included more than 5 people.

The majority of respondents (63%) travel every day to Parry Sound for work, school, or personal reasons. A further 25% travel every month, followed by 4% who travel “once in a while” to Parry Sound. Just 3% indicated they “never” travel to Parry Sound.

Figure 3.1: Household Frequency to Travel to Parry Sound



3.1.2. Interest in an Indoor Pool

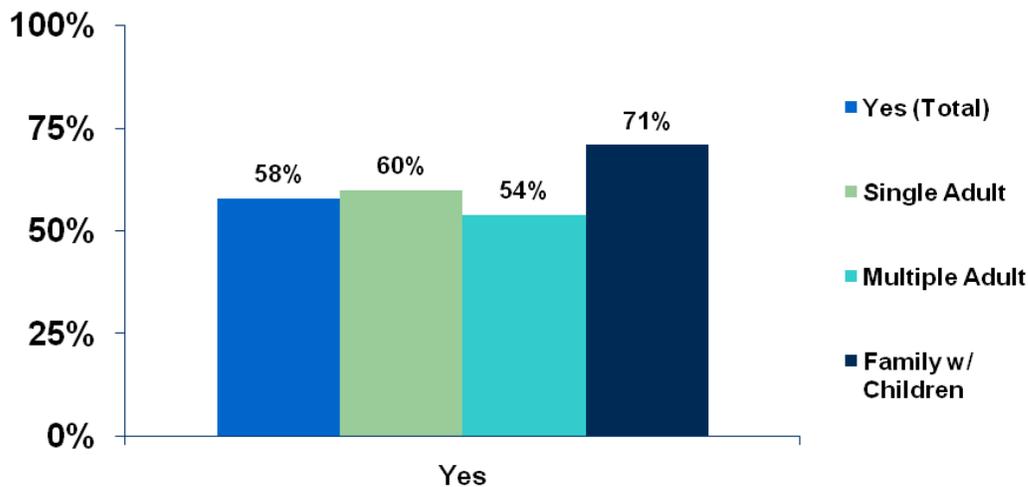
Overall, two thirds of all respondents indicated there was a lack of recreational facilities available to them in their local area (67%). This was higher among families with children (77%) than other household types.

When asked to indicate the type of facility that respondents would most like to have in their local area, the majority of respondents (83%) specified a ‘swimming pool’. This percentage rose to 91% for households with children. Over three quarters (78%) of multiple adult households indicated a desire for a swimming pool, while 81% of single adult households felt a swimming pool was needed. This was followed distantly by ‘hockey arena’ (9%), and a ‘fitness centre’ (8%).

Respondents from a household with children were more likely to mention 'swimming pool', 'hockey arena', and 'gymnasium' when compared to other segments.

Most (58%) respondents who did not mention a swimming pool when asked about facilities needed, or who indicated that there were no recreational facilities needed in their area, indicated they, or someone in their household, would make use of an indoor pool if built in the West Parry Sound Area. Of those eligible for the question (120 respondents), families with children were considerably more likely to indicate they would make use of an indoor pool (71%).

Figure 3.2: Percentage of Households That Would Make Use of Indoor Pool



Note: The above question was not asked of everyone, only those who did not mention swimming pool in the previous question.

Respondents in the Primary Study Area (Town of Parry Sound, Township of Seguin, and Municipality of McDougall) were more likely to indicate that they, or other members of their household, would make use of a recreational indoor pool if available in the West Parry Sound Area (61% vs. 44%).

The leading reasons given by respondents who would not use a new indoor pool include 'too far to drive/distance' (22%), followed by 'can swim in lake during summer' (20%), and 'too old to use' (14%).

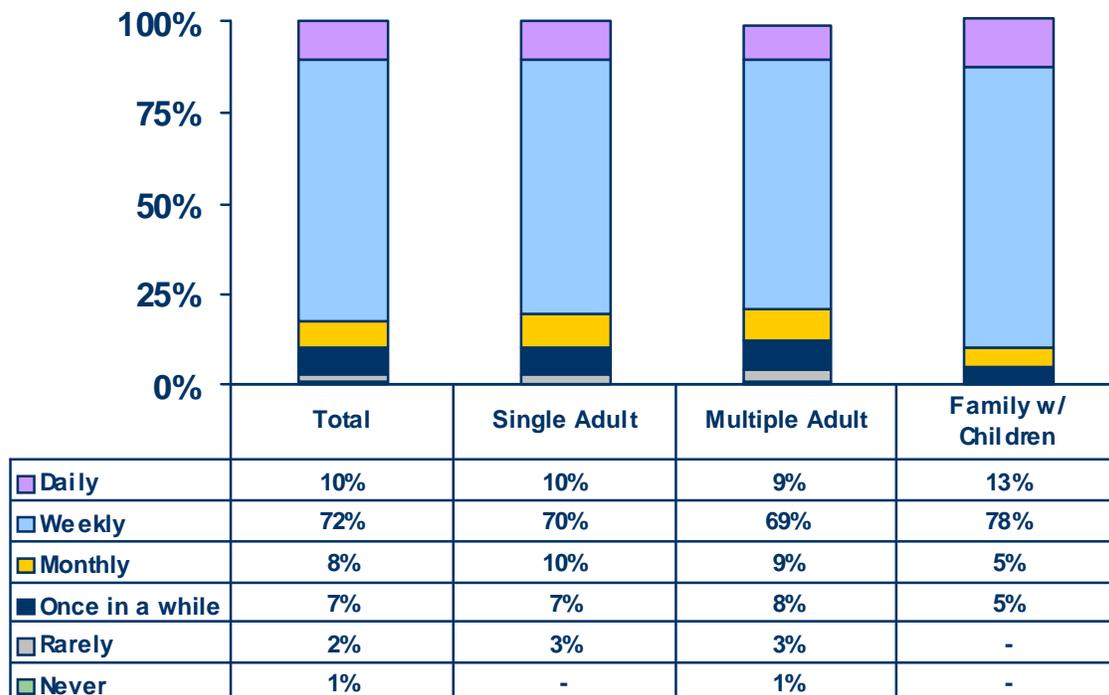
Virtually all of the respondents who would use an indoor pool feel a new facility is required to meet the recreational needs of the West Parry Sound area (95%).

The top overall reasons for respondents indicating the need for a new indoor pool were 'would be able to swim year-round' (17%), followed by 'provides a safe place to hold swimming lessons/teach children' (16%), and 'provides good exercise for the elderly' (14%).

The leading concerns of those respondents indicating a new facility is not required were 'financial concerns' (46% of those who felt a pool was not needed), and 'have other pools/facilities for swimming' (18%).

Overall, 82% of respondents interested in an indoor pool indicated they would make use of a new facility on a daily or weekly basis (10% daily, 72% weekly). That number grows to 91% amongst households with children at home (13% daily, 78% weekly).

Figure 3.3: Frequency of Indoor Pool Use



The leading indoor pool activities that respondent's household members would participate in include 'recreational swimming' (4.4 mean²⁵), followed by 'exercise or fitness program' (4.1), and 'aquatic programs for people with health concerns' (3.5). Families with children were far more likely to indicate swimming lesson participation, pool rentals, and swim team membership as activities they would participate in (4.8, 4.0, 3.0 vs. 3.2, 2.9, 2.2 overall).

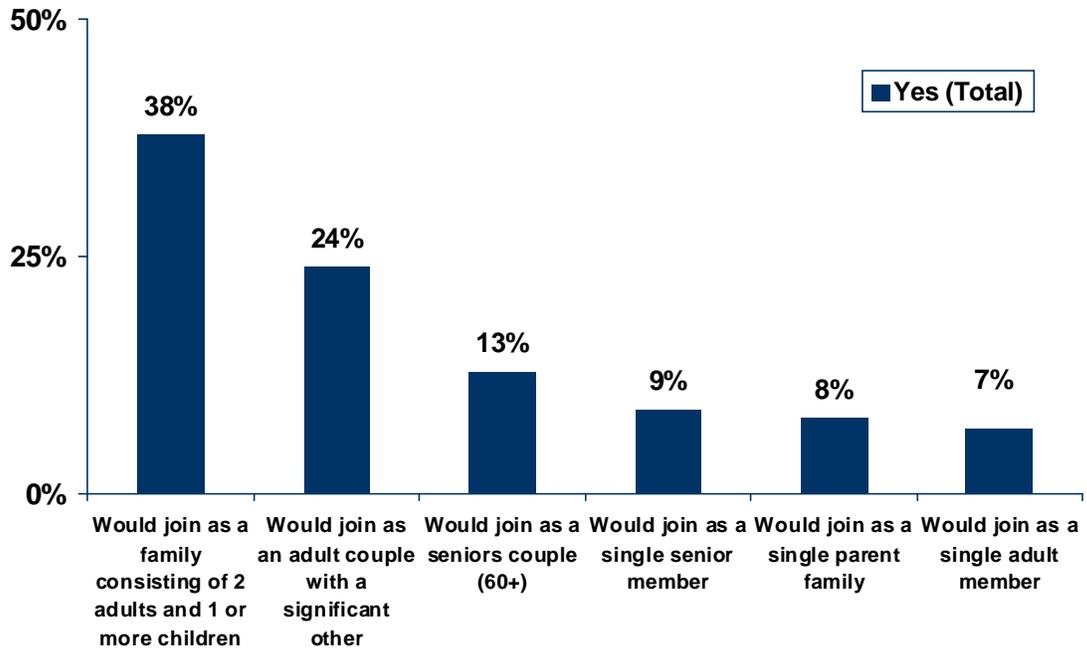
3.1.3. Willingness to Pay

For those who were interested in using an indoor pool (221 respondents, or 81%), 72% agreed or strongly agreed with paying a user fee to access programs and activities, 67% would join through a monthly or annual membership fee, and 61% would contribute to a fundraising campaign to build the facility.

For those who would consider becoming members of a YMCA facility with an indoor pool (180 respondents), respondents were most likely to join as 'a family consisting of 2 adults and 1 or more children' (38% of those preferring a membership), followed by 'would join as an adult couple with a significant other' (24%), and 'would join as a seniors couple' (13%), and finally 'would join as a single adult'.

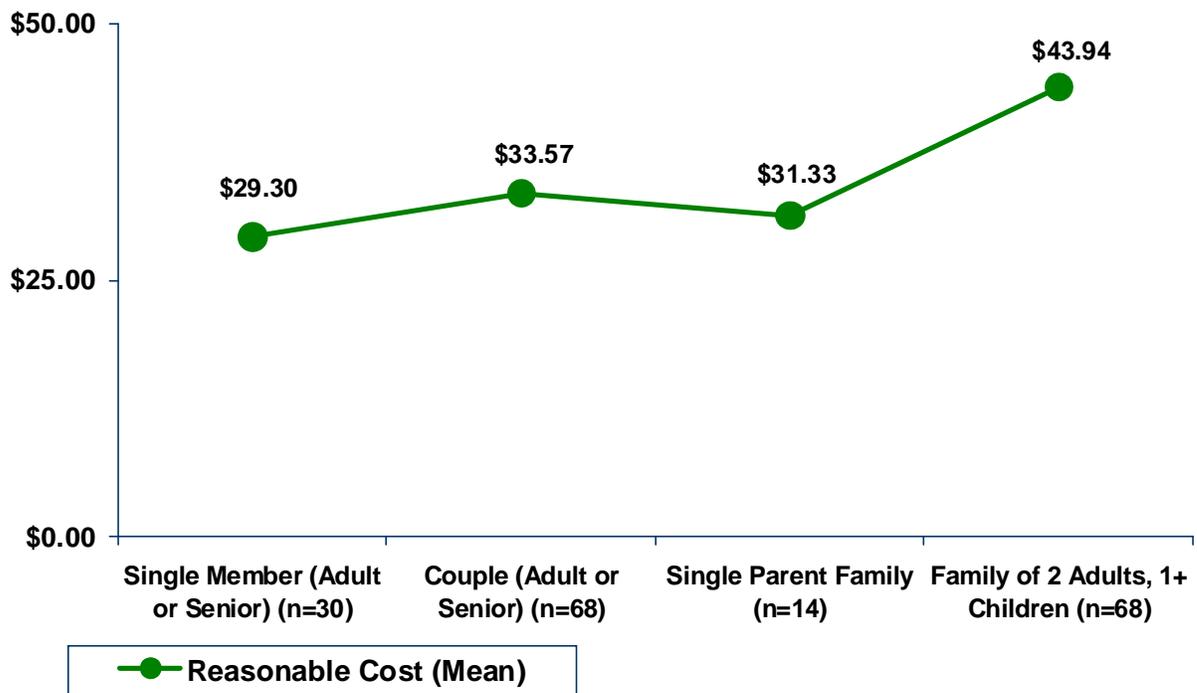
²⁵ Mean score, on a scale from 1 to 5, where 1=not at all likely, and 5 = very likely to participate.

Figure 3.4: Interest in Membership Scenarios



As shown in Figure 3.5 following, the average price that respondents indicated they would pay for a membership is \$29.30 per month for single member (adult/senior), \$33.57 for couples (adult/senior), \$31.33 for a single adult with children, and \$43.94 for 2 adult families (2 adult, 1+ children).

Figure 3.5: Reasonable Monthly Fee for Selected Membership Options



Respondents were then asked if they would consider joining the facility at current membership rates. Overall, less than one-third (30%) of all respondents indicated that they would join the facility at the current YMCA membership rates, and less than half (44%) of those who would be interested in memberships would join at the current rates. There was considerable variability, however, depending on the type of membership of interest to respondents.

Just over half of respondents who indicated an interest in joining the facility as single adults or senior single adults members (54% and 53% respectively), would join the facility at the current YMCA membership rates. Single adults were relatively inelastic in that that a slight price increase did not change the demand. Not surprisingly, single seniors were more sensitive to price increases and demand decreased at the higher price.

Fewer respondents who expressed an interest in joining as adult or senior couples would do so at current YMCA rates. Only one quarter (25%) of those indicated they would join as adult couples, and 36% would join as senior couples. Adult couples were willing to pay an increased price with no impact on demand, senior couples were more sensitive to price, and demand decreased as price increased.

Over half (57%) of those who expressed an interest in joining as single parent families would do so at the current YMCA rates. Demand was identical at both the high and low prices.

A slightly lower percentage (53%) of respondents who expressed an interest in joining as two parent families with at least 1 child would do so at the current YMCA rates. Demand decreased slightly as the price of membership increased, indicating some sensitivity to price for family memberships.

The strong majority of respondents feel that the municipalities should financially support a new indoor pool facility (85%). Single adult households were slightly more likely to indicate that the municipalities should financially support any new facility (90%).

Respondents were most willing to support the municipalities in funding a new facility via 'a one-time contribution to the capital cost' (63% overall, vs. 50% for 'an annual contribution to help pay for operation costs not covered by the YMCA). Families with children were considerably more likely to support a one-time capital cost contribution than other types of households (79% vs. 63% overall).

4. ANALYSIS AND RECOMMENDATIONS

4.1. Catchment Area Population

4.1.1. The Primary Catchment Area

The 2006 population of the Primary Study Area, including the Town of Parry Sound, the Township of Seguin, and the Municipality of McDougall was 12,789, and the total population of the surrounding municipalities was about 3,809²⁶, for a total population in the West Parry Sound Area of 16,607 residents. Based on a projected increase of about 1% per year²⁷, the 2009 West Parry Sound population is estimated at about 17,100 residents.

To confirm that Parry Sound is considered the primary service centre for the majority of residents in the West Parry Sound Area, respondents were asked in the survey to indicate how often they or someone in their household travel(s) to Parry Sound for either work, school or personal reasons. The overwhelming majority of respondents indicated that they or someone in their households travel to Parry Sound at least weekly (90% of all respondents), and almost two-thirds travel to Parry Sound daily (63% of respondents). In recreation planning, an indoor pool's primary catchment area is commonly defined as the area within about 20 minutes travel time. On average, daily or frequent users of an indoor pool facility could be expected to spend approximately 20 minutes traveling one way to an indoor pool facility, where no other indoor pool opportunities exist. The majority of residents within the West Parry Sound Area can travel to Parry Sound within a 20-25 minute driving time.

Based on these considerations, the primary catchment area population for an indoor pool is estimated at 17,100 residents, including all residents within the West Parry Sound Area.

4.1.2. Regional Market

Parry Sound District includes about 24,000 additional residents beyond the West Parry Sound Area, and encompasses a wide geographic region. Some of these outlying residents would be within about a 30 minute drive time of Parry Sound, which is about the outer limit of a reasonable drive time for an infrequent or occasional user to travel to a recreation facility with an indoor pool. Beyond the study area, the nearest regional indoor pools include an 8-lane 25m pool with

²⁶Surrounding Townships refers to Townships of Carling, McKellar, The Archipelago and Whitestone.

²⁷ See section 2.1. This represents a combination of population loss from Parry Sound and increases in McDougall and Seguin

therapeutic and leisure components in Bracebridge, about 80 km southeast of Parry Sound, and a 6-lane 25m pool and teaching pool, located in Huntsville, about 85 km east of Parry Sound. Both of these pools are within about an hour and a half drive from Parry Sound, and consultations during the Master Plan indicated that Parry Sound residents who use indoor pools travel most often to these two facilities. It is anticipated, therefore, that at least some of the residents within the District of Parry Sound and beyond the West Parry Sound Area would make occasional use of an indoor pool if available in Parry Sound, given the lack of alternate facilities within a reasonable travel distance. For the purposes of this assessment, therefore, it is assumed that approximately 10-12% of regional residents from Parry Sound District beyond the primary service area (2,500 -3,000) may make occasional use of an indoor pool in Parry Sound.

4.1.3. Seasonal Resident and Visitor Impact

The West Parry Sound Area experiences a significant increase in population during the spring and summer when non-permanent residents return to their second home or cottage. Some second home or cottage owners may also return for holidays, special events, and to participate in outdoor activities during the fall and winter. An estimated 9,679 seasonal households exist in the West Parry Sound Area, many of which are situated on waterfront properties or within proximity to Georgian Bay, an inland lake access point, or a beach.

Seasonal summer residents do not appear to significantly affect the use of existing indoor aquatic facilities in similar sized communities that experience summertime population increases. The majority of seasonal residents likely have access to outdoor swimming opportunities during the summer months, making them much less likely to make use of an indoor pool on a regular basis. Occasional or infrequent use by seasonal residents, on poor weather days, or while visiting Parry Sound for other services, could be anticipated. Overall, indoor aquatic facility use generally declines during the summer because of the availability of outdoor swimming opportunities. On balance, however, we should anticipate the seasonal population to add to the regional market, particularly for instructional, fitness and therapeutic programs that do not duplicate the outdoor recreational swimming opportunities available at cottages. The extent of this market, however, is likely limited.

Visitors and tourists do not typically make extensive use of municipal aquatic facilities unless they have a major leisure feature (waterslide, wave pool). While some seasonal residents who spend the summer at a cottage property or seasonal residence in Parry Sound may be interested in

enrolling children in swimming lessons, this number is likely small and relatively insignificant. Major hotel and resort chains, including the Quality Inn and Resort in Parry Sound, provide indoor pool and fitness facilities for their guests. Where major leisure features are provided in municipal pool facilities, visitor and tourist use of public and family swims may increase, particularly among couples traveling with children. This is most likely if the pool is marketed in partnership with local hotels and motels. This demand, however, would be occasional and likely dependent on the weather.

It is assumed, therefore, that only about 2% of seasonal households would make use of an indoor pool in Parry Sound, primarily for instructional programming for children during the summer months. This would be augmented by the occasional tourist who visits as a guest of a member or purchases a day pass. In total, seasonal resident and tourist usage would account for only about 200 additional individuals, most of whom would be purchasing short term memberships, day passes, or programs.

4.1.4. Combined Primary and Secondary Market Area

With 17,100 permanent residents in the primary market area, and assuming this is augmented by occasional regional resident use, seasonal residents use and the occasional visitors, the combined catchment area population for a YMCA with an indoor pool in Parry Sound is estimated at about 20,000. This would generally be considered a minimum target population for an indoor aquatic facility. For the purposes of this assessment, the 20,000 service area population should be viewed as a maximum and potentially a generous estimate. While the primary market of 17,100 permanent West Parry Sound residents is assured, the estimates concerning use by regional residents, visitors, and seasonal residents are much less certain. These groups are traditionally not users of the YMCA. Our assumptions concerning use by these groups are modest, but may still exceed actual use. However, to the extent that these projections are too optimistic they will be balanced by population growth in the West Parry Sound area. The 2009 population of 17,100 is projected to increase to 18,319 by 2016 and assuming this trend of limited population growth is sustained, the facility will increasingly be less dependent on its secondary market population. For the purposes of this analysis, therefore, we have maintained a service area population of 20,000.

Conclusion: The catchment area population for a YMCA with an indoor pool in Parry Sound is estimated at about 20,000. This may be a generous estimate in the short term and would generally be considered a minimum target population for an indoor aquatic facility.

4.2. Market Capture

The case study YMCA facilities profiled in this report had catchment area populations of 20,000 to 35,000. The percentage of the catchment area population that holds some form of membership with the YM/YWCA ranges from about 10% to 14%.

The following factors were considered in estimating the market capture of an indoor pool in West Parry Sound.

4.2.1. Competition and Interest in the Facility

There are no other municipal or YMCA indoor pools in the study area or within Parry Sound District, and the closest regional pools are over one hour away. As documented through the survey process and the Master Plan consultations, West Parry Sound Area residents showed a relatively high level of interest and willingness to use a new indoor pool located at the Parry Sound YMCA. Most community survey respondents (81%) expressed an interest in using a new indoor pool. Of those, 91% would use an indoor pool facility on a daily or weekly basis (10% daily, 72% weekly). That number grows to 91% among households with children at home (13% daily, 78% weekly). The lack of competition and very high level of interest suggest a level of market penetration that would exceed that of comparable YMCAs (greater than 14%).

4.2.2. The Age Profile of the Study Area

As summarized in Section 2.1, the West Parry Sound Area population includes a considerably higher percentage of adults 65 years of age and older (22.3%) than for Ontario as a whole (12.9%), and this aging trend is expected to continue since the region has become a popular retirement destination. The West Parry Sound Area also includes a lower proportion of family households with children compared to the Province as a whole, and according to the telephone survey, households without children were slightly less likely to be interested in using an indoor pool. This might suggest less market penetration if the pool was a traditional 25m tank designed primarily for training and instruction, however a well-designed pool with therapeutic components and appropriate programming would be more attractive to older adult users, particularly since recent retirees tend to have more free time, disposable income, and many are seeking significant health benefits that aquatic participation offers. On balance, therefore, the age profile of the community is not anticipated to significantly affect market penetration within the catchment area population.

4.2.3. Income and Price Sensitivity

Perhaps one of the most important considerations related to market capture is the study area's income profile and related pricing sensitivity, as measured via the telephone survey. As described in Section 2.5, on all income indicators, (i.e., median household income, median earnings, etc.) the West Parry Sound Area was considerably lower than the Province as a whole in 2006. To understand more fully the implications of lower income levels, the community telephone survey included a number of questions related to willingness to pay and price sensitivity.

Over two-thirds (67% or 180 respondents) of telephone survey respondents indicated that they either "strongly agreed or agreed" with joining the proposed facility by contributing to a monthly or annual membership. To probe further, respondents were asked to indicate what they felt would be a reasonable monthly fee to join a YMCA with an indoor pool in Parry Sound, based on their preferred category of membership. The average response values were: \$29.30 for single member (adult / senior), \$33.57 for couples (adult / senior), \$31.33 for single parent families (1 adult, 1+ children), and \$43.94 for families (2 adult, 1+ children). Table 4.1 following shows actual YMCA membership rates compared to what respondents felt would be a reasonable price. Reasonable membership rates as identified by survey respondents were on average about 46% lower than actual membership prices charged by the Simcoe/Muskoka YMCA²⁸.

When the actual price of membership was made known to survey respondents, less than half (44% or 80 respondents) of those interested in memberships indicated that they would join the facility at the current YMCA membership rates. This is a "top-of-mind" response and respondents may not be in a good position to evaluate the service received for the price paid. Some respondents may not be familiar with the high quality facilities provided in contemporary YMCAs, and this might affect their willingness to pay. However, the survey techniques used to measure price sensitivity have generally proven accurate, and these responses indicate a significant constraint on membership penetration in this market area.

²⁸ Actual Membership Prices listed on the YMCA of Simcoe/Muskoka website on Jan. 27, 2010, in effect since August 2007.
Available at http://www.ymcaofsimcoemuskoka.ca/health_fitness_recreation/wb_rates.html

Table 4.1: Actual Membership Prices, Simcoe/Muskoka YMCA, Compared to Reasonable Prices, Survey Respondents

Membership Category	Age Group Served	Actual Price YMCA	Reasonable Price (Survey Respondents)	Percentage Difference
Child	0-12	\$ 20.00		
Youth	13-17	\$ 25.00		
Student	18+	\$ 34.00		
Adult	18+	\$ 46.00	\$ 29.30	-36.3
Adult Couples	18+	\$ 86.00	\$ 33.57	-61.0
1-Parent Family	Adult/Child(ren) -18	\$ 59.00	\$ 31.33	-46.9
2-Parent Family	Adults/Child(ren) -18	\$ 89.00	\$ 43.94	-50.6
Senior	60+	\$ 40.00	\$ 29.30	-26.8
Senior Couple	60+	\$ 74.00	\$ 33.57	-54.6
				Ave. -46.0
Adult Plus				
Adult Plus	18+	\$ 55.00		
Adult Plus Couple	18+	\$ 99.00		
Senior Plus Couple	60+	\$ 99.00		
1 Parent Plus	Adult/Child(ren) -18	\$ 70.00		
2 Parent Plus	Adults/Child(ren) -18	\$ 109.00		

Note: the survey did not ask for reasonable child, student, or youth membership prices

In summary, there is a considerable discrepancy between what Parry Sound West residents believe to be a reasonable membership price and the actual membership cost. As a result, interest in membership declined considerably once the actual price of membership was known. The income characteristics of the study area and pricing sensitivity would, therefore, suggest an optimistic estimate of the level of market penetration would be at the very low end of the range (10%) for comparable facilities.

4.2.4. Conclusion on Market Capture

The extraordinarily high levels of expressed interest in using an indoor pool and the absence of competing facilities suggest a Parry Sound YMCA would do much better than comparable facilities. However, when all of the factors and their influences are taken into consideration, it is perhaps the income and pricing sensitivity considerations that would have the overriding influence on market capture. For this reason, an estimate of the membership for a YMCA with an indoor pool in West Parry Sound would be approximately 10% of the catchment area population, or about 2,000

members. While this is at the low end of that indicated by other YMCAs, it may be a generous estimate in West Parry Sound. This largely depends on the willingness of residents to pay the going price for a Y membership. The survey results indicated this will be a challenge, but we expect that many of the respondents were unfamiliar with the Y and may not fully appreciate the level of service available in contemporary full service YMCAs. We note that other recently opened YMCAs in comparable markets where the community had limited past experience with the YMCA have in fact exceeded their membership targets (this is the case in both Quinte West and Clarence Rockland). While these facilities will need to demonstrate their capacity to retain a core membership over the long term, most YMCAs have proven quite capable in this regard. The YMCA "brand" is very strong and communities generally receive an extremely high level of service at quality facilities. We expect, therefore, that the reported unwillingness to purchase memberships by survey respondents who in large part were unfamiliar with what they were buying paints too pessimistic of a picture of the actual membership prospects. Consequently, we have adopted a 10% market penetration assumption for the West Parry Sound YMCA.

Conclusion: Membership for a YMCA with a pool in West Parry Sound is estimated at about 10% of the catchment area population, or approximately 2,000 members. While this provides a reasonable basis for projecting future costs for the purpose of this assessment, it will be a generous estimate if residents are not persuaded to buy memberships when presented with a high quality, full service YMCA.

It should be noted that it is unlikely that this level of membership could be achieved in year one of operation, since it takes time to build up a membership for a facility. Experience at other YMCAs suggests that a reasonable timeframe for achieving this target would be by year 3-5 of operation. This is discussed more fully in the revenue projections in Section 4.5.

4.3. **Membership Profile**

Both the survey results and the data on comparable YM/YWCA facilities were considered in the development of a membership profile for YMCA with an indoor pool in West Parry Sound. Given that the market capture of West Parry Sound is similar to that for Wasaga Beach (about 10%), and that the demographics and rural/urban nature of the two communities are similar (both are aging communities with lower income levels than for the Province), the membership profile for Wasaga Beach was used in this comparison.

The first column of Table 4.2 following shows the percentage of survey respondents who would consider joining the proposed facility through various membership scenarios. This column shows the baseline results for interest in various membership scenarios, before the actual price was known. It is important to note that the survey did not probe for individual child, student or youth memberships, nor did it ask about the need for a subsidy or fee assistance to access the facility.

The last column shows the membership profile for the Wasaga Beach YMCA. Unlike the survey data, the Wasaga Beach membership profile includes categories for children, youth, and student memberships, and also considers those on fee assistance or full subsidies. The following commonalities and differences are noted:

- Family memberships make up the largest percentage for both;
- The baseline survey results show greater levels of interest in adult couple and senior couple memberships, and in individual memberships for seniors.

These are important considerations, since, as described below, there was more sensitivity to price increases among those who a) indicated an interest in a family membership, and b) among seniors.

The middle column recalculates the baseline survey results based on an adjustment for price sensitivity, as per the survey results. Specifically, about 53% of those who would join the facility as a 2 parent family with one or more children would join at the current rates, and only 47% would join if the rates were raised slightly. Fifty-three percent of 38% yields only about 20% who would join as a family when the current rates are taken into consideration. Similarly, among those who indicated an interest in joining as a single parent with children, about 57% would join at the current YMCA rates, and this percentage did not change if the rates were raised slightly. 57% of 8% yields about 5% who would consider joining once the current rates are know.

There was significantly less interest in joining as a couple, once the current YMCA rates were considered. Only about 25% of those who indicated they would join as an adult couple would do so at the current YMCA rates, and about 36% of those who indicated they would join as a senior couple would do so at the current rates. There was also more sensitivity to a price increase among seniors' couples than among adult couples.

For those who would join as single adults, only 54% would consider joining at the current rates, and this number did not change if the rates were raised slightly. For those who would join as single

seniors, only 53% would join at the current rates, and this number dropped to 41% when prices were raised slightly.

Table 4.2: Membership Profile Comparison with Price Adjustment

Membership Category	Membership Profile, Baseline Survey Results	Price Sensitivity Adjustment*	Wasaga Beach's Membership Profile
Two Parent Family	38%	20%	20%
Single Parent Family	8%	5%	19%
Adult Couple	24%	6%	4%
Senior Couple	13%	5%	5%
Adult	7%	5%	12%
Senior	9%	5%	5%
Child	NA		7%
Youth	NA		2%
Student and Seasonal Student	NA		3%
Fee Assisted or Free	NA		21%

*Reflects willingness to take out a membership once actual price is known, as per the survey data.

As shown in Table 4.2, when current YMCA pricing and price sensitivity is taken into account, the result has many similarities to the Wasaga Beach's YMCA current membership profile. The greatest discrepancy is with the percentage of respondents interested in purchasing a single parent family membership. It is acknowledged that there may have been some confusion among survey respondents around the term "single parent family". The YMCA membership category refers to a membership involving a total of one adult and one or more children from any type of family structure, whereas the survey question may have been interpreted as only applicable to families that have single parents. The other limitations of the survey data are that it does not include membership categories for children, students, or youth, and it does not consider the percentage of respondents who may require fee assistance of a full subsidy. Because of the similarities between the price adjusted survey data and the Wasaga Beach membership profile, and considering the limitations of the survey data, we believe the Wasaga Beach membership profile represents a reasonable template for projecting the membership of a YMCA facility with a pool in West Parry Sound.

Conclusion: The membership profile for the Wasaga Beach YMCA represents a reasonable template for projecting the proposed facility's membership profile.

4.3.1. A Membership Profile for a West Parry Sound YMCA with Indoor Pool

To estimate the potential number of each type of membership at a West Parry Sound YMCA with a new indoor pool, Wasaga Beach's membership profile was applied. For 2,000 total members, the following assumptions were applied:

- About 39% would join as a part of a family. 19% of members will be part of single parent family memberships. This equates to 380 individuals or about 190²⁹ single parent family memberships; An additional 20% of members will be part of two parent family memberships. This equates to 400 individuals or about 133³⁰ two parent family memberships;
- 31% of members will take out individual memberships. This will include 620 individuals, and 240 adult memberships, 140 child memberships, 100 senior memberships, 60 student memberships, 40 seasonal student memberships, and 40 youth memberships;
- 9% will join as couple members, including all couples, and senior couples. This will include 180 individuals and 40 adult couples and 50 seniors' couples.
- The remaining 21% will be fee assisted memberships. This will involve 420 individuals and would include a similar breakdown by member type as described above, for a total of 217 fee assisted memberships.

The assumptions above yield a total of 2,000 individual members as part of 1,250 purchased memberships. These assumptions are applied in the projection of revenues for the proposed facility.

4.4. Funding and Municipal Support

There were a number of questions on the telephone survey aimed at measuring support for various funding options. The majority of respondents feel that the municipalities should financially support a new YMCA indoor pool facility that would be available to both YMCA members and to non-members for community use (85%). This percentage was slightly higher for single adult households and households with children, and slightly lower for multiple adult households.

Respondents were more willing to support, through tax dollars, a onetime municipal contribution to the capital cost (63%) than an annual contribution to help pay for operation costs not covered by the YMCA (50%). In both cases, however, at least half of all respondents agreed with tax-funded support from the municipalities.

²⁹ Where each single parent family will include, on average, one parent and one child.

³⁰ Where each two parent family will include, on average, two parents and one child.

The majority (61%) of survey respondents would contribute to a fundraising campaign to build the facility. This percentage was slightly higher for families with children, and slightly lower for single and multiple adult households.

Conclusion: The survey results show an encouraging level of support for community fundraising to help contribute to the capital cost of the proposed indoor pool facility, and for a tax-supported one time municipal contribution to the capital cost of the facility. There was moderate support for an ongoing operating cost subsidy from the municipalities. These results, which are consistent with the high levels of resident support for an indoor pool, would suggest a YMCA-municipal partnership for the development of the indoor pool may be feasible.

4.5. Revenue Projections and Operating Cost Estimate

Operating costs and revenue projections were created using a number of assumptions regarding membership fees, staffing, and facility expenditures, as discussed in the following sections. These are preliminary projections subject to refinement as the project proceeds.

The scope of this study did not include a detailed financial analysis or the preparation of a detailed business plan that was specific to a West Parry Sound YMCA. Instead, operating costs are based on other comparable YMCAs. The revenue estimate for membership is specific to the West Parry Sound area and is based on the analysis undertaken in this study. However, there was no investigation of other sources of revenue and consequently these were estimated based on other comparable YMCAs. Given that membership is by far the most significant source of revenue and that operating costs of comparable YMCAs are a strong indication of anticipated costs in West Parry Sound, this preliminary financial analysis should be a reliable indicator of order of magnitude costs. However, before proceeding with the project, a detailed business plan should be prepared and this would involve a more in-depth investigation of expenses and revenues specific to the proposed facility. Items for consideration in this analysis include:

- A projection of occupancy costs (heat, utilities, water, etc.) that are based on the actual size, design and proposed construction of the facility. After staffing, occupancy costs typically represent the most significant cost in the operating budget. These costs will be affected by the size of the building and hours/seasons of operation. More importantly, these costs will be determined by design features and the extent to which the building incorporates “green building” practices and energy efficiency. The case study YMCAs were built to contemporary standards at the time of construction but more efficient building systems are available today. While these represent a premium in capital costs, they deliver lower longer term operating costs. It is not known to what extent these green building approaches are feasible (given the relationship with an existing building) or practical (given cost considerations).
- Staff costs will depend on the division of roles and responsibilities locally and among the larger Simcoe-Muskoka YMCA. A detailed staffing plan will be required for the West Parry Sound facility.
- Other non-membership revenue sources may be unique to the local area. It is possible that donations or endowment funds might be established locally to offset costs. There may be

opportunities to establish service agreements or partnerships with other local agencies (school boards; hospitals; private operators) that represent a revenue source not available at other YMCAs. These possible sources of revenue have not been investigated and may indicate that a facility in West Parry Sound has an advantage over other comparable YMCAs. (Of course, it should be noted, we did not investigate in detail the sources of revenues of the comparable YMCAs and it is possible that are the recipients of unique revenue streams that would not be available to the West Parry Sound YMCA).

4.5.1. Revenue Projections

To project membership revenues, the Wasaga Beach membership profile and current Simcoe/Muskoka YMCA membership rates were applied, based on the assumptions outlined in section 4.3.1 above, and including the following considerations:

- Membership categories include only the basic categories and not the “plus” or “value added” categories.
- Seasonal Student Memberships are applicable for 6 months of the year
- Each single parent family membership includes, on average, one parent and one child
- Each 2 parent family membership includes, on average, two parents and one child
- For Fee assisted memberships, the cost is assumed to be half the average price for all of the membership categories (1/2 of \$50), which equals \$25.00. It is further assumed that half of those on fee assisted memberships are fully subsidized and pay no membership fees³¹.

The membership profile for a West Parry Sound YMCA with an indoor pool and full fitness centre is used to calculate membership revenues in Table 4.3 following. Based on the above assumptions and current YMCA rates, annual membership revenues are estimated at \$653,664.

³¹ Based on discussions with Paul Robinson of the Simcoe Muskoka YMCA regarding the fee assistance memberships.

Table 4.3: Estimated Membership Revenues, West Parry Sound YMCA

Membership Category	Membership Price	Est. Number of Memberships*	Monthly Revenue	Annual Revenues
Child	\$20.00	140	\$2,800.00	\$33,600.00
Youth	\$25.00	40	\$1,000.00	\$12,000.00
Student	\$34.00	60	\$2,040.00	\$24,480.00
Seasonal Student	\$34.00	40	\$1,360.00	\$8,160.00
Adult	\$46.00	240	\$11,040.00	\$132,480.00
Adult Couples	\$86.00	40	\$3,440.00	\$41,280.00
1-Parent Family	\$59.00	190	\$11,210.00	\$134,520.00
2-Parent Family	\$89.00	133	\$11,837.00	\$142,044.00
Senior	\$40.00	100	\$4,000.00	\$48,000.00
Senior Couple	\$74.00	50	\$3,700.00	\$44,400.00
Fee Assisted	\$25.00	109*	\$2,725.00	\$31,500.00
Fully Subsidized	0	108*	0	0
Total		1,250	\$55,152.00	\$653,664.00

*Assumes 2,000 members in total, and that these members will be represented in 1,250 memberships.

*Of the 217 fee assisted memberships, it is assumed that only 50% pay a membership fee, and that the membership fee paid is half the average membership price (1/2 of \$50.00).

As discussed above, the membership projection is based on assumptions adopted from this study concerning the service area population and membership penetration. This data plus the membership breakdown from the Wasaga Beach facility and Simcoe Muskoka YMCA fees, resulted in the membership revenue projection noted above.

The membership revenue projection per member for the West Parry Sound YMCA is comparable to Wasaga Beach, at \$327 and \$337 respectively³². However, these figures are higher than those achieved at both the Goderich and Clarence Rockland facilities which indicate \$280 and \$260³³ respectively. This suggests that the membership revenue calculation being used here may be generous.

³² Based on membership revenues of \$1,134,470 and 3,366 Wasaga Beach members compared to our estimates of \$653,665 and 2,000 members in West Parry Sound.

³³ We have estimated the Clarence Rockland figure based on the reported membership revenue as well as the service agreement revenue that represents in large part the municipal subsidy for unrealized membership revenue. As noted elsewhere, it is anticipated this subsidy will decline as membership increases over the next few years. Without including the service agreement revenue, the revenue per member at Clarence Rockland would be \$232.

We have no accurate basis for projecting other sources of revenue at a Parry Sound YMCA and these sources will likely be more dependent on local circumstances. Figure 4.1 following shows the proportion of revenues in three categories from the case study YMCAs.

Figure 4.1: Revenue Breakdown

Revenue Source	Wasaga Beach	Clarence-Rockland	Goderich-Huron	Average
Membership (%)	89.5	69.0	81.0	79.8
Programs/Rentals (%)	8.1	23.0	16.0	15.7
Other (%)	2.5	8.0	2.0	4.2

This breakdown of revenue streams indicates the degree of variation that might be expected from one YMCA to another. The Wasaga Beach YMCA is much more dependent on memberships than the other Ys. However, in the case of Clarence Rockland a significant proportion of the “other revenue” is a service agreement with the municipality that essentially offsets the absence of membership revenue (in the short term, on the assumption that membership will continue to increase and the subsidy will not be required after 5 years). One could argue therefore that the 69% proportion of membership revenue in Clarence Rockland is underestimated and the 8% of other revenue overstates the case.

Revenue projections for the West Parry Sound YMCA are based on the following assumptions:

- Membership Revenues account for 82% of total revenues.
- Program/Rental Fees account for 15% of total revenues. This estimate considered the average for the three comparable facilities (16%), and the survey results showing the slight preference of survey respondents for accessing the facility via program fees vs. membership fees, and a relatively high level of interest in swim lessons, aqua fit programs, etc.
- Other (fundraising, grants, donations) accounts for 3% of total revenues. This was estimated based on survey results to fundraising questions and considering the relative percentage for the comparable facilities.
- Building Fund Fees, which are a one-time fee collected at the time of purchasing a membership, are not included in this revenue projection, because capital conservation costs are also not shown in the operating cost projection.

As shown in Table 4.4, total revenues for a West Parry Sound YMCA with an indoor pool are estimated at \$795,000.00.

Table 4.4: West Parry Sound YMCA Facility Revenue Projections

Revenue Category	Revenues	% of Total Revenues
Membership revenues	\$653,665.00	82%
Program revenues	\$116,500.00	15%
Other	\$24,835.00	3%
Total	\$795,000.00 ³⁴	100%

4.5.2. Operating Cost Estimate

We adopted the actual operating costs reported for the Wasaga Beach facility as the starting point for predicting expenses at the West Parry Sound YMCA. As discussed at the beginning of this chapter, this is intended as a preliminary projection and it must be refined with the preparation of a specific business plan for the West Parry Sound facility.

Table 4.5 indicates total expenses at \$987,325. This assumes expenses similar to the Wasaga Beach facility in the year ending June 30 2009, but excludes depreciation and assuming the administrative charge-backs are slightly greater than 50% of those incurred at Wasaga Beach. Depreciation is treated as a capital conservation costs and as noted elsewhere these will be covered in part by contributions to building and equipment funds and some of these expenditures would normally be eligible for external funding. Administrative charges represent in part this facility's share of collective costs borne by all Simcoe Muskoka YMCAs. The manner in which these costs are apportioned among facilities was not investigated and Wasaga Beach's cost likely over-estimate those that would be assigned to a facility in Parry Sound. In addition, as these collective costs are shared by additional local facilities within the Simcoe Muskoka YMCA, greater efficiencies are likely and this may reduce the costs.

³⁴ By way of comparison, the current revenue breakdown for the Parry Sound YMCA is as follows: For the 2009 budget year, revenues totaled \$153,354. Membership fees accounted for 63% of total revenues. Program fees accounted for 7%, Annual Giving for 9%, Rentals and Recoveries for 13%, Building Fund Fees for 6%, and Program Grants for 3%.

Table 4.5: West Parry Sound YMCA Pool Operating Cost Estimate

Expense Category	Expenses	% of Total Expenses
Human Resources/Salaries/Benefits	\$637,625	64.5%
Occupancy Costs	\$238,880	24.2%
Program/Administration/Other	\$110,820	11.2%
Total	\$987,325³⁵	100%

4.5.3. Net Operating Cost/Surplus

Based on the revenue and expense projections described in the preceding section, the proposed facility will experience a net operating deficit in the order of \$192,325.00, assuming 2009 expenses and revenues and full membership. As mentioned previously, the anticipated membership base (2,000 members) would not likely be achieved during year one of operation. A conservative estimate of membership revenues for years one and two would be 80% in year one, 90% by year two, and 100% by year three. Considering membership revenues are projected to make up over 80% of revenues, this will likely result in a higher deficit for the first three years of operation until the anticipated membership targets are achieved. The following section presents a 5-year operating pro-forma based on this and other assumptions.

4.6. 5-Year Pro Forma

Table 4.6 below projects revenues and expenses over a 5-year period, based on the following assumptions:

- The facility will not achieve full membership (2,000 members) until year 3 of operation. Total membership revenues in Years 1 and 2 represent 80% and 90% of revenues in Year 3, respectively. (Membership only; all other revenues were retained).
- Beyond Year 3, revenues will grow at a rate of 2% per year, to reflect a moderate increase in population and related membership and program growth as well as minor increases in fees.
- Operating costs in Year 1 will be based on Wasaga Beach's operating costs in 2009, as discussed above.

³⁵ By way of comparison, the current Parry Sound YMCA expenditures for the 2009 budget year totaled \$225,839. Salaries, benefits, and volunteer expenses accounted for 57%, facility expenditures accounted for 35%, and program and other expenditures accounted for 8%.

- Operating costs will increase by 2.5% annually, to reflect rising occupancy costs related to higher energy costs, higher staffing costs reflecting cost of living wage increases, general inflation, etc.
- Building Fund Fees, which are one-time fees collected at the time of purchasing a membership, are not included in the revenue projection, and capital conservation costs are not considered in the operating cost projection. It is assumed that over the long term, capital conservation costs and building fund fees will balance each other out.

Table 4.6: 5 Year Pro-Forma

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	\$664,270	\$729,635	\$795,000	\$810,900	\$827,120
Expenses	\$987,325	\$1,012,010	\$1,037,310	\$1,063,245	\$1,089,825
Net Operating Cost	\$(323,055)	\$(282,375)	\$(242,310)	\$(252,345)	\$(262,705)

As shown in Table 4.6, a net operating deficit of \$242,310 can be anticipated by Year Three of operation, when the facility is anticipated to achieve its full membership potential. Beyond Year Three, the estimated deficit continues to grow, since expenses are projected to rise at a faster rate than revenues. It is difficult to predict inflation rates for expenses and revenues. We have assumed a slightly higher rate of inflation for expenses, primarily to reflect energy costs and the likelihood that lower incomes will continue to constrain membership fee increases. These are assumptions that may not prove accurate. However, the West Parry Sound area will continue to be a small market for an indoor pool and the possibility that annual subsidies will exceed the roughly \$260,000 shown here after Year Five should be considered.

Conclusion: An operating deficit in the order of \$245,000 can be anticipated by Year Three of operation when the facility achieves its membership potential. Based on the assumptions adopted for this assessment, the proposed facility will require an annual municipal operating subsidy in the order of \$250-260,000 for the foreseeable future.

5. NEXT STEPS

The following is a general outline of the next steps in pursuing an indoor pool at the West Parry Sound YMCA:

1. Confirm the Potential Partner's Interest. This study was undertaken to provide a preliminary membership and financial forecast to assist the area municipalities and the YMCA to determine the feasibility of the project and their willingness to participate. The potential involvement of the various municipal units must also be clarified. Assuming there is sufficient interest in pursuing the partnership, the following steps are required.
2. Complete the Missing Components of a Full Feasibility Study. This study focused on market penetration and membership and provides a strong indication of possible revenue streams. This is an important piece of the feasibility study. Additional information, however, is required to move the project forward. This includes:
 - a detailed facility concept, site plan and building program. The exact nature of the aquatic and other facility components to be added to the YMCA and the manner in which this will be accomplished given the site and the design of the existing building must be determined. This will involve a detailed architectural and engineering study.
 - a capital cost must be determined. The capital cost will be based on the architectural and engineering study and will depend in part on the manner in which the new components are added to the existing building. In addition, even assuming that the project proceeds as envisioned in this report (ie a 4 lane 25 m pool, a leisure pool and hot tub), capital costs can vary significantly based on materials selected, design features and finishes, and the state of the construction market at time of tender. The extent to which the funding partners will pursue LEED certification (or other approaches to green building) are not known. These will add significantly to capital costs while representing a possible source for additional external funding and lower long term operating costs. The availability of external funding, which can not be reliably predicted, will also have a major impact on the financial commitment required locally. It would be pre-mature, therefore, to estimate capital costs.
 - a business plan must be prepared. Our preliminary financial analysis was based on the revenues and expenses at similar YMCAs. A study specific to the West Parry Sound Y must be undertaken to refine these numbers based on actual staffing levels, anticipated energy and other occupancy costs relative to the proposed building and pool design; other expenses and a better estimate of the revenues that are not tied directly to memberships.
 - A fund-raising assessment. The potential to mount a successful fund-raising campaign needs to be evaluated.

3. Identify the framework for a partnership agreement. Municipal-YMCA partnerships are increasingly common in Canada and there are many examples of very successful financial and management agreements. These agreements, however, vary a great deal depending on the specific circumstances surrounding the partnership, ownership of assets, operating roles and responsibilities and requirements for financial support. An agreement for the West Parry Sound YMCA would need to be negotiated.
4. Prepare a detailed implementation strategy for the project. With a completed feasibility study and a final partnership agreement, an implementation strategy can be developed. This involves retaining architectural expertise for facility design; investigating and securing external funding; establishing an ongoing communications program; and undertaking the detailed planning for the operation of the facility.
5. Proceed with the implementation. The final step is the detailed design and construction of the facility.

APPENDIX A – MASTER PLAN RECOMMENDATIONS

Recommendations of the Parry Sound Area Culture and Recreation Master Plan (2008) Regarding
Aquatic Facilities

Master Plan Recommendations Regarding Aquatic Facilities

An indoor pool complex was the most frequently desired facility. Residents who use public indoor pools typically travel to Bracebridge and/or Huntsville. In addition to an indoor aquatic facility participants expressed desire for facilities that support opportunities for unstructured and casual activity, particularly in the winter months. The market for this facility will extend to communities beyond those participating in the Master Plan.

In a number of smaller communities, throughout Ontario, indoor aquatic facilities are provided through partnerships with other organizations. The YMCA in particular has joined with municipal partners to develop and operate these facilities (e.g., Municipalities of Niagara Falls, Clarence Rockland, Wasaga Beach, Welland, and Innisfil³⁶). In these examples the YMCA is responsible for maintaining and operating the facility, which operates in the YMCA's membership model. Participating municipalities contribute to the capital development and may develop arrangements around operating costs. The feasibility of these partnerships was determined through detailed market assessment that established the market, confirmed facility and program needs, tested community response to a joint initiative, and estimated capital and ongoing operating costs.

While a partnership with the YMCA is certainly a viable option moving immediately to this option might preclude full consideration of such items as: the ability of the YMCA site to accommodate expansion (e.g., future redevelopment of one or more arenas or library etc., or outdoor facilities), appropriateness of the site to all partners, appropriateness of the YMCA as operator. A full feasibility study that incorporates the following elements is required to assess these issues.

- Consumer Demand: Identification of interest and need, an estimate of participation levels, willingness to pay/support financially, willingness to travel etc.;
- Facility Components: Specific facility components, ancillary facilities, future or phased facilities, existing facilities that could be replaced now or in the future in a new complex, capital cost, site requirements;
- Site Assessment: Size, cost of land, availability, acceptability of location, development considerations, compatibility of site to surrounding uses etc.;
- Management: Who will manage, implications to users (e.g., membership or not membership based, political considerations etc.); and
- Financial Feasibility: Ability to finance operating and capital costs.

³⁶ A YMCA/Municipal partnership recently opened.

The preceding comments do not preclude serious consideration of a partnership with the YMCA on its current or an alternate site. Rather, these recommendations provide direction to assess all options before confirming a preferred option. Further, prior to undertaking a full feasibility assessment discussion with the YMCA of Simcoe/Muskoka is strongly supported to investigate their interest in being a partner in this investigation.

Recommendation 1: Undertake formal discussions with the YMCA of Simcoe/Muskoka to identify their interest and willingness to participate as a partner in a feasibility assessment for an indoor aquatic facility/recreation complex for the Area.

Recommendation 2: Undertake formal discussions with municipalities within a radius of approximately 40 KM of the Town of Parry Sound to identify their interest and willingness to participate as a financial partner i) cost sharing ii) feasibility study for an indoor aquatic facility/recreation complex for the Area.

Recommendation 3: Prepare a full feasibility study to assess community and market support for new indoor recreation facilities, particularly an indoor aquatic facility/recreation complex; to evaluate site and management options and opportunities; and to fully assess financial viability of options among the Town of Parry Sound, Seguin Township and the Municipality of McDougall.