



Source: Eastern Ontario Trails Alliance

Eastern Ontario Trails Alliance: 2014-2023 Business Plan

June 12, 2014

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Introduction

The Eastern Ontario Trails Alliance (EOTA) is a well-respected trails organization that is recognized for providing consumers with a high-quality recreational experience. This business plan interprets the principles of the *EOTA 2014-2023 Strategic Plan* and offers more specific strategic direction that is both short and longer-term in nature.

The following vision and 10 year goals emerge from the strategic plan and form the basis of this document's discussion:

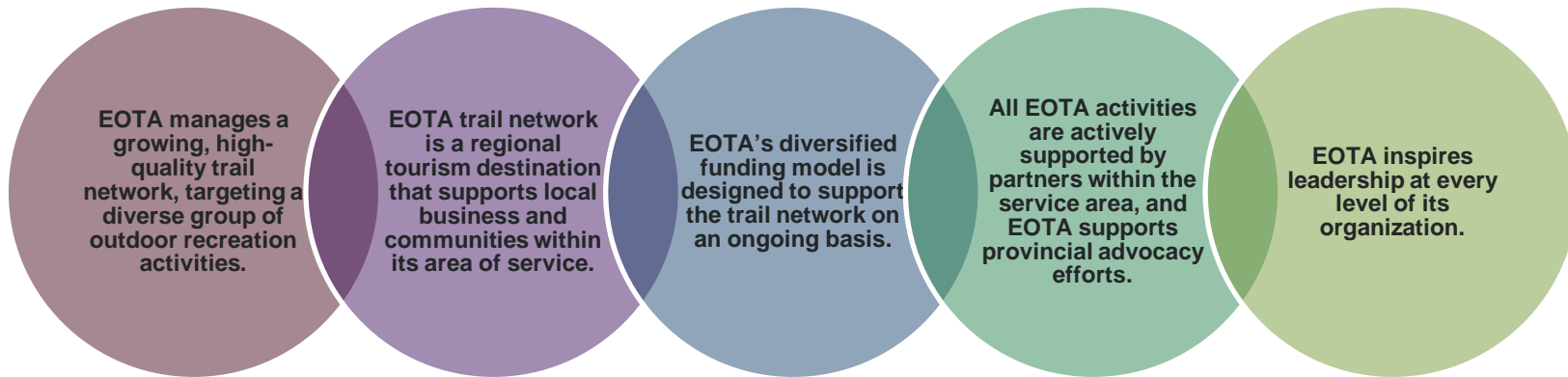
In ten years, EOTA-manages a growing trail network that is:

- ***increasing the number of active, healthy, and engaged local residents and visitors***
- ***building local and regional communities through community economic development***
- ***advocating for the continued success of Ontario's trails and the organizations that care for them***
- ***self-sustaining, in terms of financing, operations, and organizational leadership***



Source: Eastern Ontario Trails Alliance

FIGURE 1: EOTA 10 YEAR GOALS



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Operational Plan

The Operational Plan outlines EOTA's organizational management structure and its external relationships with stakeholders as they will need to be developed for future success. The role of volunteers in EOTA is also discussed.

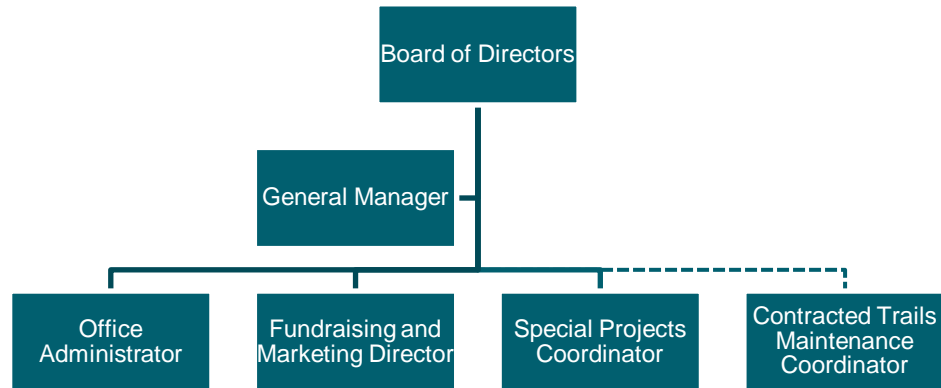
2.1 Organizational Management Relationships

EOTA has successfully secured enough revenue to support one full-time and one part-time staff person. Permanent staff have created a more professional organization with the ability to build long-term trust with municipal partners and increased the quality of the trails network. This is a strong step towards organizational sustainability.

In order to meet the challenges of the new strategic plan, further expansion in EOTA's staff is likely to be required. One of the benefits of additional staff positions is a greater ability to handle transitions between long-standing leaders/staff.

In Figure 2, a new organizational chart is pictured that is designed to help EOTA meet its new goals. The general manager is responsible for the oversight of the organization, partnership development, raising the profile of the organization, ensuring strong governance practices are observed, and is its primary spokesperson. The administrator is responsible for communications, grant writing, ongoing office administration, and financial duties. As in any small organization, both staff are expected to work together to accomplish additional duties as needed.

FIGURE 2: PROPOSED ORGANIZATIONAL PLAN



In the future outlook, two additional positions are identified, plus one contract position that will function during specific times of the year. The fundraising and marketing coordinator is a full-time (30 hours/week) position. Initially, the position may be supported by grant funding to establish a more aggressive fundraising and marketing program within EOTA. These responsibilities are currently held by existing staff, but will receive more attention and emphasis through a staff presence.

Similarly, the special projects coordinator may not be permanent at first and may be reliant on grant funding until greater revenue streams can be developed. The same person may even be able to take on two consecutive projects funded by grants, as long as the funding does not rely on two consecutive internships. The special projects coordinator should specialize in one of two strategic areas; either the project is designed to increase community relationships and organizational revenues, such as a volunteer recognition program, projects that involve product development, such as a trails master plan, or a visitation oriented project, such as a fundraising or social media trail marketing campaign that would be executed with the support of the fundraising and marketing coordinator.

When special projects are designed, it is best if multiple focus areas are combined into one initiative. The following examples of strong initial projects blend both objectives to ensure that organizational sustainability is enhanced by every project.

- **Trails master planning:** A coordinator responsible for the oversight of an update of a trails master plan for the EOTA network, including communications with the public, user groups, and community groups (with the support of the general manager). The trails master plan should research and be guided by the potential of new visitor markets. The coordinator could also be responsible for marketing existing trails during the course of the project, when the master

plan is in the research stages, for example, and may lead a social media campaign to enhance visitation and safety awareness. This project would take a year to complete once started.

- **Volunteer engagement:** A coordinator engages user groups and community groups to raise funds for a series of trail development or enhancement projects across the EOTA trail network. Volunteers are part of the project development process as well as fundraising, with the coordinator helping to support the projects and report to EOTA. Best scheduled after the development of a trails master plan. This project would take two to three years to complete depending on the scope of trail development undertaken.

One danger of a series of a grant-funded special projects coordinators is a legacy of new ongoing tasks that the manager and administrator may not be able to add to their workload. It is important that the grants funded projects have a distinct end date and job description of each staff member include “other tasks as needed” so that a few select legacy tasks can continue on after being developed through the special projects portfolio. For example, the fundraising and marketing coordinator may continue a social media campaign developed during the trails master planning project in future years, should it be a successful.

The contracted trails maintenance coordinator will be a seasonal role that verifies trails quality and maintenance needs; traditionally handled by the general manager. The contracted maintenance coordinator should work with trails partners (municipalities, ATV clubs and snowmobile clubs) to identify priority needs and to promote synergies between all partners, EOTA, and the Trails Master Plan. The role is seasonal because it is only required in the period leading to a season change, such as the end of snowmobile season, and the changeover period. The coordinator would not personally perform maintenance, but instead identify and work with the general manager to prioritize and plan forthcoming trails maintenance based on short term (within the coming season), medium term (within two seasons), or long-term (within five years) needs. The position should only be instituted once funding resources are secured.

2.2 Relationships with Stakeholders

EOTA has an extensive network of stakeholders involved in the trail systems of Eastern Ontario. These stakeholders include:

- Municipal governments
- Local business and accommodation providers
- Trail user groups
- Local residents
- Regional Tourism Organizations and Destination Marketing Organizations
- Provincial and Federal government departments

EOTA works with all of these stakeholder groups to deliver a high quality trails experience. Given EOTA's central place with its stakeholder groups, EOTA is best positioned to be a hub of knowledge and support for its various stakeholders (a role they are already used to playing). Through a facilitative approach, EOTA can help its stakeholders meet their specific needs, including trail management, marketing, funding, and instituting trail standards. A facilitative approach ensures that EOTA leverages relationships within the network to benefit the trail network. In this regard, EOTA is the first contact for trail stakeholders looking for information on best practices, wanting to partner with other stakeholders, or to learn more about how to improve the trail experience in their local area. EOTA takes a variety of stakeholder groups, each with varying motives, goals, and opinions, and unites them under a vision for the trail network and its future.

FIGURE 3 - FROM DIVERSITY TO VISION



The Role of Volunteers

Volunteers play a large part in the operations of trail organizations around North America. An experienced, dedicated volunteer effort can augment the efforts of trail groups tremendously while overcoming funding gaps that are common.

For EOTA's part, volunteer groups play an active part with trail user groups (e.g. snowmobile and ATV clubs), with little use of volunteers at a strategic organizational level. There is more room to build a strong cadre of volunteers to support EOTA's vision for the trail network. In particular, EOTA could benefit from the use of volunteers to:

- Write grants or develop fundraising campaigns
- Provide support at events, such as those organized by user or community groups
- Support social media and other marketing campaigns
- Build momentum for the trail network and the importance of buying a trail pass within the communities
- Distribute information within each community
- Form a local trail group to help manage particular sections of the trail network

Incorporating more volunteerism into EOTA is also an excellent way to generate a skilled, talented pool of engaged trail advocates to support EOTA in its advocacy work. Volunteers embedded in the various trail communities can generate discussion at the community level in a way EOTA cannot. Creating volunteer programs in local schools can also be an excellent way to invest in future trail leaders that might one day work directly with EOTA or sit on the Board of Directors.

Finally, as additional coordinators are hired by EOTA to fill its organizational structure, the most likely pool of replacement candidates will come from those active in volunteering that will have already become familiarized with the organization and its objectives, and with whom the organization will already be acquainted.

3

Financial Plan

The financial plan consists of two broad scenarios. The first evaluates the present trajectory of revenue and expenses at EOTA to project where it is likely to be in ten years if all trends remain as they currently are. This scenario also serves as a baseline for the second scenario, which is a series of small value-adds which may help to supplement or increase revenues. The data sources for the analyses are audited financial plans of EOTA, with some elaboration from annual budgets. No projections have been based on annual budget data because these numbers are used as targets, and are not verifiable. Furthermore, there are differences in the categorization of revenue and expenses in EOTA financial statements compared to budget statements, making for poor transferability.

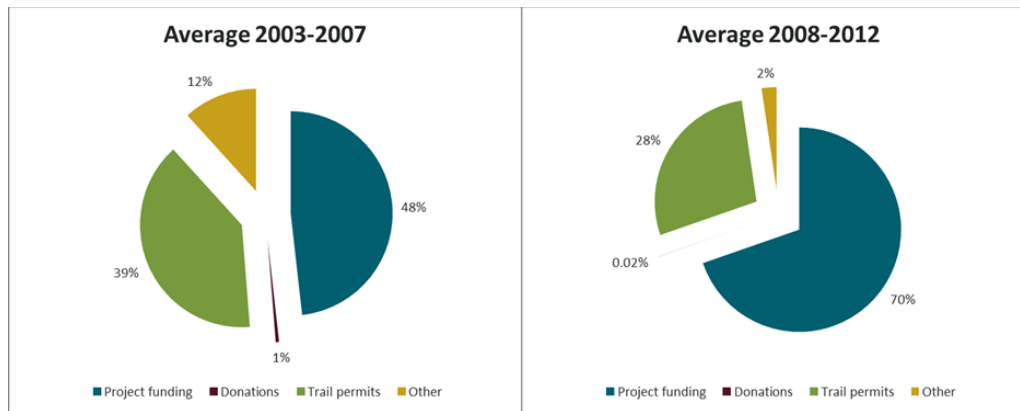
3.1 Scenario 1: EOTA's Status Quo Outlook

EOTA, like any organization, has incoming revenue and outgoing expenditures. The current status quo for these can be evaluated and used to make projections about future growth (or, in some cases, non-growth). These are taken in turn.

3.1.1 Revenues

EOTA formally derives revenue from four sources: donations, project funding, trail-pass sales, and “other.” Figure 4 shows EOTA revenue over two five-year periods.

FIGURE 4: EOTA SOURCES OF REVENUE, 2003-2007 AND 2008-2012



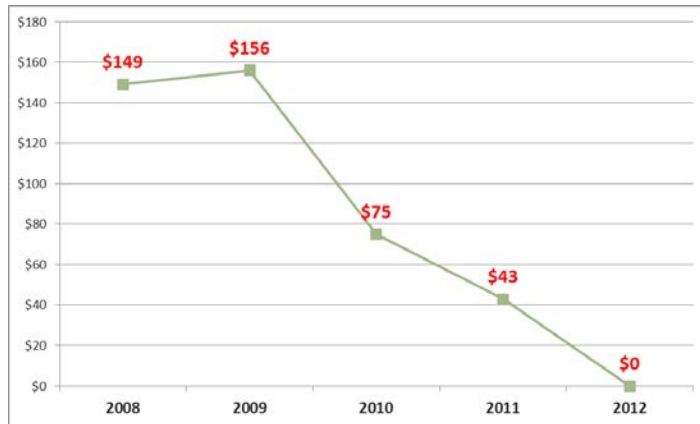
Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

Donations

Donations have traditionally constituted the smallest amount of EOTA's revenue. Figure 5 shows donation revenue between 2008 and 2012 represent only 0.02% of EOTA's average revenue. The decline in annual donations is illustrated further in Figure 5. Moreover, donations have not been higher than \$1,000 since 2005.¹ One main explanation for the declines, especially compared to the earliest years, is that some funding has been reclassified as falling either within the “project funding” or “other” categories, thereby reducing the amount in the donations category.

¹ Eastern Ontario trails Alliance, Financial Statement, 2006.

FIGURE 5: EOTA HISTORICAL TRAJECTORY OF ANNUAL DONATIONS



Source: Eastern Ontario Trails Alliance, Financial Statements, 2008-2012.

EOTA does not actively seek donations. It does not have special fundraising campaigns for specific projects or organizational needs. There can be positive outcomes associated with increasing donation revenue beyond having a little extra cash for projects or other EOTA needs. First, having fundraising campaigns generates a sense of ownership within the communities that contribute. Second, receiving donations also increases an organization's profile when applying for grants because the worth of the organization is validated via community support. Thus, decreased sense of ownership may translate to a less engaged community, whether or not they use the trails.

“Other” Revenue

The second smallest revenue stream is the “other” category, named so for miscellaneous sources not earmarked for specific projects, geographic locations, or as grants from Government partners. It is unpredictable though necessary to track miscellaneous revenue not falling within the other categories. Fiscal year 2003 had the highest “other” revenue at \$55,374, but likely because of ambiguity between categories where funding sources would later be re-categorized in subsequent years, such as some forms of project funding. This revenue averages a median of \$10,207, with 2005 seeing the highest revenue (\$21,875), and 2007 seeing the lowest (\$6,284).² Forecasting to 2023 indicates that “other” revenue could reach approximately \$30,293.

² Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

Project Funding

Project funding generally comes in two forms. First, EOTA receives some revenue directly from municipalities and counties, which is usually earmarked to be re-invested into the geographic area where the funding has come from. These funds also serve as seed money for other grant applications, thus and generate additional revenue.

An increasing number of municipalities are supporting EOTA on an ongoing basis. EOTA has also been able to develop positive, long-term funding relationships with organizations, like Community Futures Development Corporations, creating some measure of revenue predictability.

Despite these positive trends, EOTA's project funding revenue has not been consistent. Although it has increased by 11.5% annually since 2003, from year to year the revenue has varied significantly. At its highest, EOTA project funding revenues equalled \$526,294 in 2009, and at its lowest, \$32,259 in 2005. This is EOTA's strongest source of revenue, but it is also the least predictable. Based on historic growth rates, EOTA's project funding revenue could reach as high as \$762,580 by 2023.

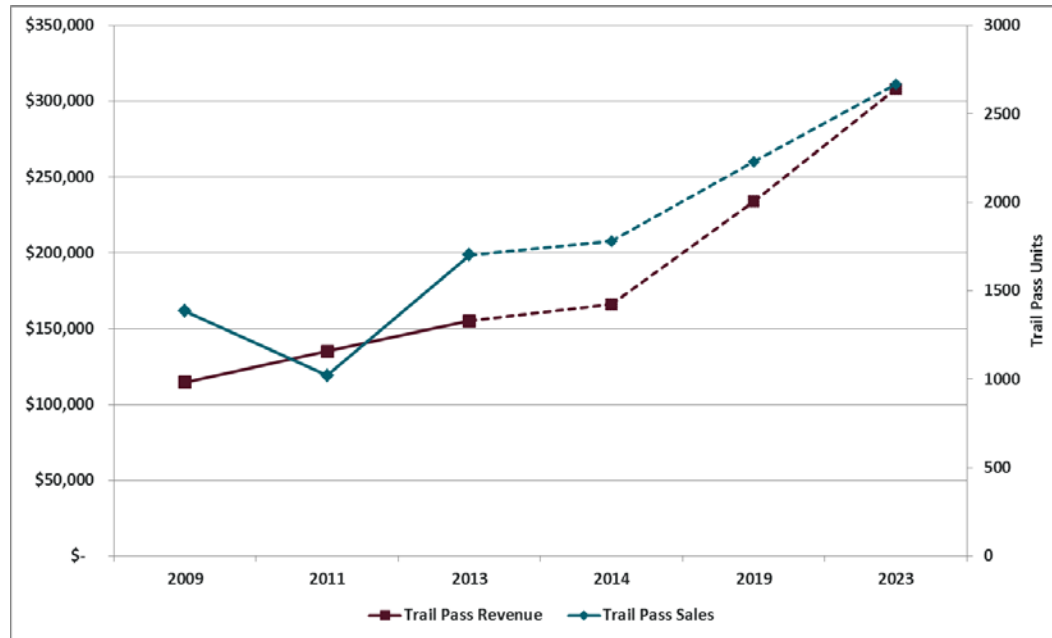
Trail Pass Purchases

Internal EOTA documents show the trend in trails pass sales and trails pass revenues (including commissions from partners for sales) from 2009 through 2013, summarized in Figure 6.³ Revenue grew at a rate of 7.1% from 2009 (\$114,262) to 2013 (\$155,068), indicating that by 2023 it could be around \$307,905. Between 2009 and 2013, trail passes revenue increased by a total of 35.3 percent, but the number of units sold only grew at a rate of 22.9% over the same period. Because EOTA trails passes exist for different applications, the higher sales revenue rate likely reflects increases in one or more specific categories of trail pass. It may also be explained by commissions owed to EOTA from other partners.



³ These data have been provided by Eastern Ontario Trails Alliance from their internal records. The data have not been subject to financial scrutiny by a third party.

FIGURE 6: TRAIL PASS SALES AND REVENUE, PROJECTIONS 2014-2023



Source: Adapted from Eastern Ontario Trails Alliance, Internal documents, displayed with permission.

Data from financial statements up to and including fiscal year 2012 estimated only modest growth of 1.3% per year, but unconfirmed sales figures for 2013 indicate that the forecasted amount of \$141,314 was surpassed by \$13,754. If EOTA can maintain the momentum shown in 2013, growth forecasts will continue to remain more positive.

3.1.2 Expenditures

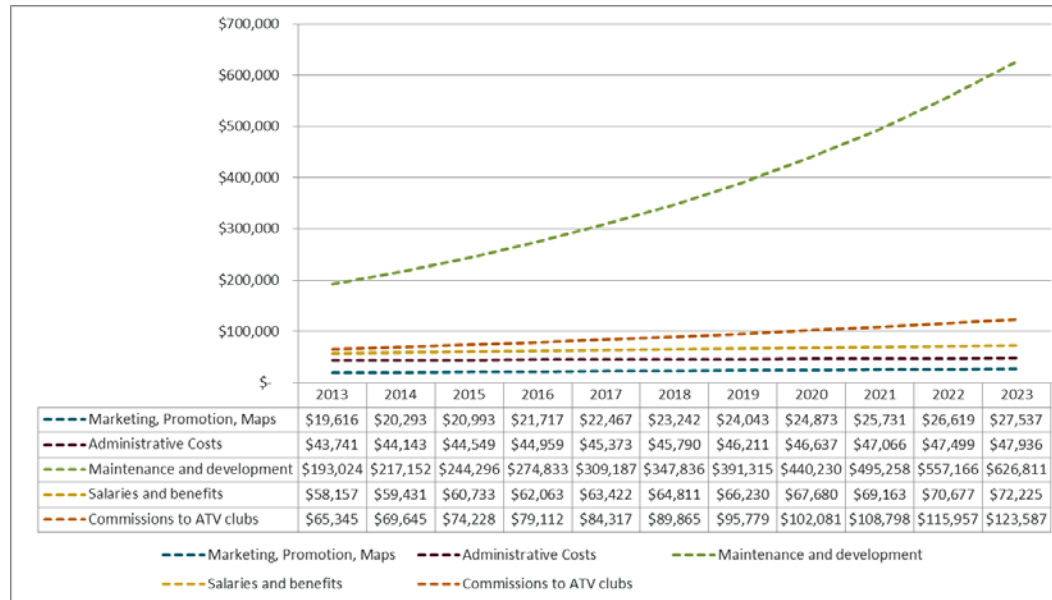
EOTA expenditures are most easily summarized in the following five categories: marketing, promotion and maps; administrative costs; maintenance and development; salaries and benefits; and commissions to ATV clubs. The organization's expenditure history is summarized in Figure 7 and a discussion of each expenditure category follows. Projections for all five categories are also shown in Figure 8.

FIGURE 7: EOTA EXPENDITURE HISTORY, ABBREVIATED

	2003	%	2006	%	2009	%	2012	%
Marketing, Promotion & Maps	\$ 14,096	7.5%	\$ 36,706	17.0%	\$ 18,453	2.9%	\$ 18,962	5.4%
Administrative Costs	\$ 94,361	50.1%	\$ 57,338	26.6%	\$ 48,217	7.6%	\$ 43,342	12.3%
Maintenance and development	\$ 74,807	39.7%	\$ 76,464	35.5%	\$ 476,523	74.9%	\$ 171,577	48.7%
Salaries and benefits	\$ 4,993	2.7%	\$ 41,102	19.1%	\$ 52,312	8.2%	\$ 56,911	16.2%
Commissions to ATV clubs	\$ -	0.0%	\$ 3,875	1.8%	\$ 40,785	6.4%	\$ 61,311	17.4%
Total	\$ 188,257	100.0%	\$ 215,485	100.0%	\$ 636,290	100.0%	\$ 352,103	100.0%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012

FIGURE 8: PROJECTIONS FOR EXPENDITURES BASED ON HISTORIC GROWTH RATES, 2003-2012



Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

Marketing, promotion and maps

EOTA has invested in marketing and promotion since 2003, with a few large infusions of funding, such as \$61,421 in 2005 or \$75,000 budgeted in 2013.⁴ EOTA has expressed that \$75,000 per year would be an ideal budget amount for this category. Historic growth trends indicate that marketing will likely grow by 3.5% annually, barring exceptional investments. This equates to \$23,242 annually by 2018 and \$27,537 by 2023.

Marketing, Promotion & Maps																			
2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
\$ 14,096	7.5%	\$ 21,476	13.2%	\$ 61,421	29.3%	\$ 36,706	17.0%	\$ 8,792	4.6%	\$ 34,397	12.3%	\$ 18,453	2.9%	\$ 28,101	5.4%	\$ 22,103	4.1%	\$ 18,962	5.4%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012

Administrative costs

Administrative costs pertain to the daily operations of EOTA, including equipment, office space, travel, and professional fees such as insurance, accounting, and legal fees. Administrative costs represent a small portion of annual expenditures, at an average of approximately 8% since 2008. Travel costs and office and printing represent the most variable expenses. Travel is contingent on other business matters, such as attending promotional events or trade-shows, and the need to inspect the expansive trails network, while office expenses can fluctuate as new technology or equipment is required. Projections based on historical data indicate that EOTA's administrative costs would be approximately \$45,790 by 2018 and \$47,936 by 2023; not a significant drain on resources.

Administrative Costs																			
2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
\$ 94,361	50.1%	\$ 72,133	44.3%	\$ 55,299	26.3%	\$ 57,338	26.6%	\$ 41,329	21.5%	\$ 41,442	14.9%	\$ 48,217	7.6%	\$ 54,229	10.4%	\$ 35,252	6.5%	\$ 43,342	12.3%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012

⁴ Eastern Ontario Trails Alliance, Financial Statements, 2003-2012; Eastern Ontario Trails Alliance, Budget Statement, 2013.

Maintenance and development

Before proceeding to the direct expenses of EOTA for maintenance and development as outlined in financial statements from 2003 to 2012, an important discussion of the nature of cost and burden sharing is in order to reflect the reality by which various partners come together to maintain the trails systems shown in EOTA maps.

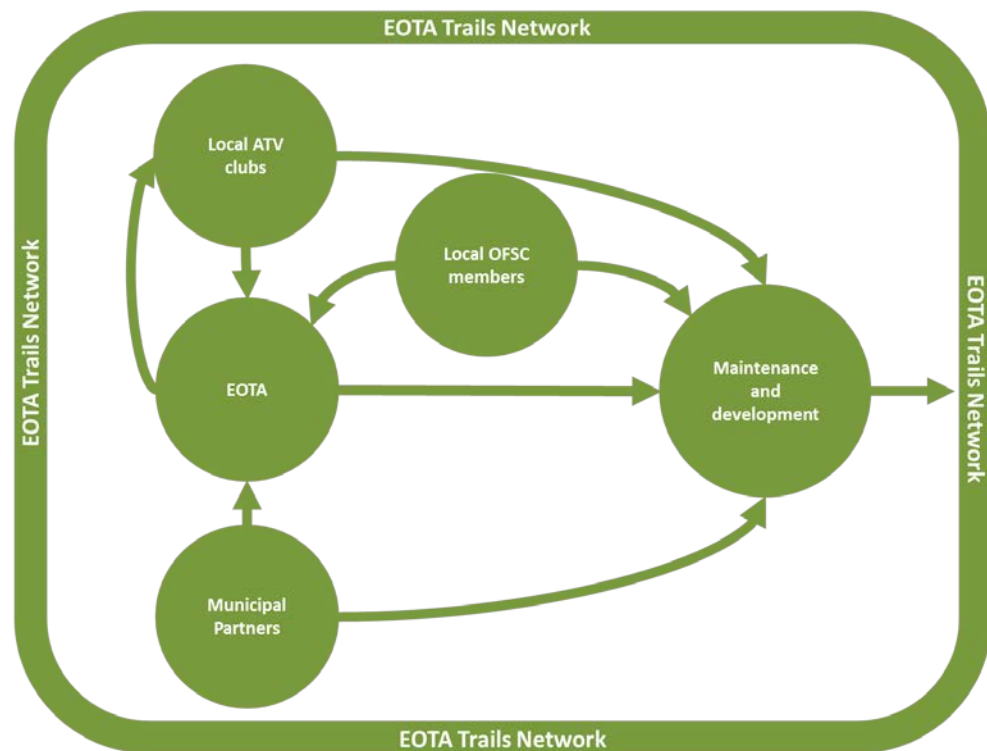
Three broad partner groups are illustrated in Figure 9, which describes the flow of capital toward trails maintenance and development within EOTA's network. To begin, commissions flow from EOTA to ATV clubs based on the sale of permits, which are legally compelled to reinvest commissions from trail permit sales into maintenance and development of EOTA trails. Also, some ATV club members buy their trail passes directly through the ATV club and those funds either go to EOTA in project support or are also reinvested into maintenance within the network.

Next, EOTA is also partnered with local chapters of the Ontario Federation of Snowmobile Clubs (OFSC), where a portion of snowmobile registration is sent to EOTA every year and used for maintenance and development. Also OFSC chapters directly invest in maintenance and development of the network for some projects. As such OFSC either pays EOTA to oversee trails maintenance or oversees it itself on trails that are part of the EOTA network.

Finally, municipal partners either fund EOTA to maintain and develop trails or they do so directly themselves.

EOTA's relationship with all three partner groups is complex, and these descriptions do not even begin to discuss how sometimes one partner will fund one aspect of a project (such as the cost of materials) while EOTA funds another (such as labour).

FIGURE 9: MAINTENANCE AND DEVELOPMENT FUNDING SCHEMATIC
(ARROWS REPRESENT FLOW OF CAPITAL)



Source: Millier Dickinson Blais, Adapted from Eastern Ontario Trails Alliance.

True of all three, maintenance and development funding is sometimes in the form of in-kind support (i.e. resources, materials, or even human capital), while other times the same reciprocity is shown to partners by EOTA. Often such agreements are the result of ad-hoc negotiations depending on immediate needs of the coming season, though partners that recognize the return on investments are increasingly adding EOTA funding to their budget lines. Therefore, as time goes by the process is becoming more efficient.

Below it will be shown that in 2012 EOTA spent \$171,577 on trails maintenance and development, but it is important to acknowledge that this number is only a part of a much larger funding system that exists flowing from partner organizations and municipalities back into the network as well. As EOTA implicates itself further with Ontario Motor Sports Working Group to lobby for a centralized motor sport organization, the logic for an annual fund of \$1.5 million for EOTA network trails becomes clearer. The price approximates the estimated collective burden the trails maintenance and development (and other costs such as marketing and insurance) place on all the stakeholders affiliated with the EOTA network.

In summary, as the discussion below proceeds to investigate EOTA's maintenance and development expenses, it is important to recognize they represent only a part of the larger picture which EOTA coordinates every year with its partners.

Maintenance and development expenses are directly affected by project funding, which explains the fluctuations of expenditures from year to year. EOTA's expenses align with project funding, peaking in 2009, 2010, and 2011. From 2003 to 2012, maintenance and development annual growth has been 12.9% annually. These maintenance costs occur within EOTA's administrative area of the network, but also represent costs where it has partnered to share costs.

Some maintenance projects are easier to anticipate than others. EOTA understands its ongoing maintenance requirements, allowing for easier forecasting in this area. It can evaluate maintenance needs based on high, moderate, and low cost scenarios, but unforeseen expenses may arise due to weather events or damage.

Maintenance and development																			
2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
\$ 74,807	39.7%	\$ 55,061	33.8%	\$ 86,774	41.3%	\$ 76,464	35.5%	\$ 64,732	33.7%	\$ 105,578	37.9%	\$ 476,523	74.9%	\$ 334,339	63.9%	\$ 379,363	70.3%	\$ 171,577	48.7%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

Salaries and benefits

EOTA employs one general manager (full-time) and one office administrator (3.5 days per week). Additional staff is sometimes hired under the "project-funding" revenue stream to conduct a particular project or set of projects. Fees and deliverables are decided on an ad-hoc basis. Early in its history, in 2003, EOTA was clearly a labour of love, with total spending on salaries and benefits a mere \$4,993. By 2012 this expenditure had grown to \$56,911, an increase of 104%, or 10.4% per year on average. Projecting from historical growth, expenditures on salaries and benefits may reach \$168,988 by 2023, but more realistically, based on historical data since 2008 will likely only grow at a rate of

2.2% per year. This value does not include project funding that may have paid for specific work done on a short-term basis for a particular project or series of projects.

Latest figures from EOTA estimate the general manager earns \$40,000 annually, while the administrative assistant earns \$20,000 annually. Contributions to Canada Pension Plan and income tax amount to \$12,000 per year for both employees, for a total of \$62,000 per year; a figure slightly higher than the most recent financial statement from 2012, but matching estimates outlined in EOTA's 2013 and 2014 budgets.

Salaries and benefits																													
2003		2004		2005		2006		2007		2008		2009		2010		2011		2012											
\$	4,993	2.7%	\$	8,245	5.1%	\$	2,435	1.2%	\$	41,102	19.1%	\$	41,260	21.5%	\$	51,302	18.4%	\$	52,312	8.2%	\$	54,186	10.4%	\$	53,416	9.9%	\$	56,911	16.2%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

Commissions to ATV clubs

EOTA pays commissions to local ATV clubs based on trial pass sales. The proportion of annual expenditures paid to such clubs ranges between 1.8 and 18.7% of EOTA's total budget since 2004. The amount has increased at an annual rate of 105 since first registering in 2004, its earliest year on record. It grew sharply between 2006 and 2007 (from \$3,875 to \$35,979), but leveled off generally thereafter, increasing at a rate of only 6.6% per year from 2008. More information is needed to fully understand how commissions are allocated to ATV clubs, but projections estimate that if current trends continue, expenditures of this form will approximate \$123,587 by 2023. This projection is the least reliable because the formula of calculating EOTA's share of ATV club revenue is not known to the consultant team, meaning it is difficult to cross-reference with other variables such as trails pass revenue.

Commissions to ATV clubs																													
2003		2004		2005		2006		2007		2008		2009		2010		2011		2012											
\$	-	0.0%	\$	5,833	3.6%	\$	4,000	1.9%	\$	3,875	1.8%	\$	35,979	18.7%	\$	46,130	16.5%	\$	40,785	6.4%	\$	52,492	10.0%	\$	49,828	9.2%	\$	61,311	17.4%

Source: Eastern Ontario Trails Alliance, Financial Statements, 2003-2012.

3.1.3 Forecasting EOTA's Fiscal Trajectory

Projections have been made for revenues and expenditures based on historic data. These trends indicate that if growth continues along its current trajectory, there is potential to reach the specified 2023 values. It's important to note that it is within EOTA's control to set limits to the level of growth or decline by intervening in the budgeting process.

The following details summarize the findings:

- Donation revenue is nearly non-existent, and will continue to remain around zero unless addressed

- Project funding can be expected to grow to as much as \$762,580 by 2023, but the high variability of from year to year makes the prediction difficult
- Trail permit sales have relatively plateaued since around 2007 and will likely increase only modestly, though this revenue source is the most consistent
- Marketing expenses may have some correlation with sales pass revenue, but likely in combination with other factors

The cost projections for revenues and expenditures are listed in Figure 8.

FIGURE 10: EOTA HISTORICAL PROJECTIONS FOR REVENUE AND EXPENDITURES, 2014-2023

Revenues	Annual Growth Rate	Audited Revenue			Projected			
		2010	2011	2012	2014	2017	2020	2023
Project funding	11.5%	\$ 364,639	\$ 367,127	\$ 230,283	\$ 286,294	\$ 396,859	\$ 550,124	\$ 762,580
Donations	-10.0%	\$ 75	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ -
Trail permits	1.3%	\$ 126,230	\$ 133,905	\$ 139,500	\$ 143,151	\$ 148,806	\$ 154,686	\$ 160,797
Other	10.4%	\$ 10,202	\$ 10,188	\$ 10,202	\$ 12,434	\$ 16,731	\$ 22,513	\$ 30,293
Total Revenue		\$ 501,146	\$ 511,263	\$ 379,985	\$ 441,879	\$ 562,397	\$ 727,323	\$ 953,670

Expenditures	Annual Growth Rate	Audited Expenses			Projected			
		2010	2011	2012	2014	2017	2020	2023
Marketing, Promotion, Maps	3.45%	\$ 28,101	\$ 22,103	\$ 18,962	\$ 19,616	\$ 22,467	\$ 24,873	\$ 27,537
Administrative Costs	0.92%	\$ 54,229	\$ 35,252	\$ 43,342	\$ 43,741	\$ 45,373	\$ 46,637	\$ 47,936
Maintenance and development	12.50%	\$ 334,339	\$ 379,363	\$ 171,577	\$ 193,024	\$ 309,187	\$ 440,230	\$ 626,811
Salaries and benefits	2.19%	\$ 54,186	\$ 53,416	\$ 56,911	\$ 58,157	\$ 63,422	\$ 67,680	\$ 72,225
Commissions to ATV clubs	6.58%	\$ 52,492	\$ 49,828	\$ 61,311	\$ 65,345	\$ 84,317	\$ 102,081	\$ 123,587
Total Expenditure		\$ 523,347	\$ 539,962	\$ 352,103	\$ 379,884	\$ 524,766	\$ 681,500	\$ 898,096

Source: Eastern Ontario Trails Alliance, Financial Data, 2003-2013. Amounts for "Trails Permits" have not been adjusted for newly acquired data for 2013, which increases the annual growth rate to 7.1%. Adjusted projections would be \$166,078 (2014), \$204,023 (2017), \$250,639 (2020) and \$307,905 (2023). Since equivalent updates for other categories are not available, all data in the tables are based on projections beginning from the confirmed financial year data from 2012.

3.2 Scenario 2: Value-added Investments and Finances

This scenario outlines a few possibilities that depart from the historical trajectory of EOTA. The second scenario is organized around seven general financial goals. For each goal a brief rationale is given and projections are provided, where possible, based on target ranges and historical data.

a) Invest in a Fundraising and Marketing Coordinator

EOTA has done an enormous amount of work, but imagine the possibility if there was a staff person whose sole responsibility was to earn new revenue through increased trail pass sales, government grants, and other sources. The position would require an investment of \$16-\$20 per hour, at 30 hours (4 days) per week, totalling between \$24,960 and \$31,200. The pay-scale would be commensurate upon experience and time with the organization (i.e. would generally start at the low end and increase incrementally). The salary could be enhanced through commissions. The increase in allowable weekly hours would be subject to the approval process of EOTA's board of directors. The salary would be earmarked accordingly in the annual budget as "fundraising and marketing coordinator," for transparency's sake.

The office should be for an individual whose main responsibilities include the following:

- Improving grant funding, especially at the Provincial level, where it is comparatively lacking
- Work with media to promote the trail network to visitors with a goal of attracting between 7 and 13% more trail pass purchasers per year
- Explore crowd-sourcing funding opportunities for specific projects with wide geographic appeal
- Increasing the online presence of EOTA through social media campaigns and other new communications initiatives (toward the same goal of 7 to 13% trail pass increase)
- Organizing fundraising initiatives with the support of user groups and community groups, such as community drives, social-club/philanthropic association donations, gala/dance party/hoedown fundraisers, and BBQ/corn-roasts; starting with a goal of raising \$2,500 and cumulatively between six and nine for each subsequent year⁵
- Work with user group and community group volunteers on specific event coordination

EOTA's newest addition would require an initial investment before the effects of the coordinator begin to pay off. Grant funding may support some of the costs outlined here and ease the strain on EOTA and risk while the investment is yet to show results. Office space, supplies, and technology will increase budget demands. The addition of a new phone line can be costly, but there are modern low-cost alternatives through VoIP networks and internet technology companies specializing in digital phone networks are becoming competitive. These systems provide multiple phone line bundles that are handled through a network router. Details of annual and start-up costs affiliated with a new coordinator are provided in Figure 9.

⁵ This suggested rate is intentionally modest to allow for EOTA to develop the institutional capacity to address donations in coordination with volunteers and other contributors. There are also natural attrition rates at which some community partners may eventually reduce or discontinue their contributions.

FIGURE 11: ANNUAL AND START-UP COSTS ASSOCIATED WITH NEW FUNDRAISING AND MARKETING COORDINATOR, ACCORDING TO PAY SCALE

Annual Costs	Low	High
Hourly wage	16	20
Hours per week	30	30
Gross Annual Salary	\$ 24,960	\$ 31,200
CPP @ 5.95%	\$ 1,235.52	\$ 1,544.40
Annual Phone line	\$ 60	\$ 60
Benefits	?	?
Total Annual Cost	\$ 26,256	\$ 32,804

One time Start-up Costs	
Office Computer	\$ 1,500
Phone Line Install	\$ 200
Desk and Chair	\$ 300
Sub-Total	\$ 2,000
Taxes	\$ 260.00
Total	\$ 2,260

Source: Millier Dickinson Blais

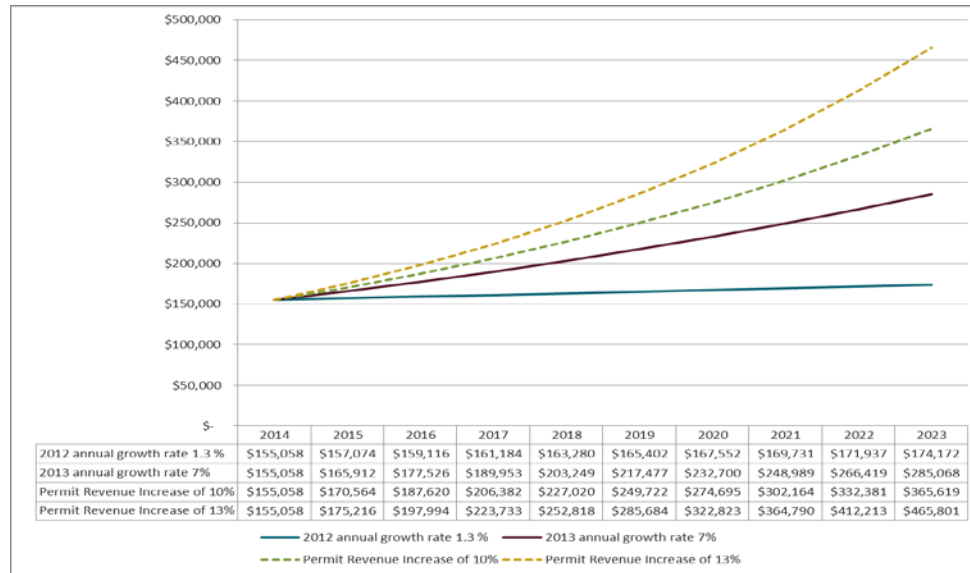
b) Increase Trail Pass Revenue

With an aggressive marketing campaign, building off similar success in 2013 where the annual growth rate jumped from the previous year's rate of 1.3 to 7.1%,⁶ EOTA can aim for 10 to 13% annual growth in trail pass revenues, as in Figure 10. By 2019, EOTA could expect between \$217,477 and \$285,684, compared to \$165,402 it would be projected to capture based on 2012's historic average of 1.3%.⁷ By 2023, EOTA could post revenues ranging from \$285,068 to \$465,801.

⁶ The data obtained by Millier Dickinson Blais for 2013 trail pass revenue has been provided by EOTA but has not been verified by independent audits in Financial Statements for the fiscal year 2013.

⁷ Eastern Ontario Trails Alliance, Financial Statements 2007 to 2012.

FIGURE 12: TRAIL PASS REVENUE PROJECTIONS



Source: Millier Dickinson Blais

c) Identify Level of Investment for Maintenance and Development and Contracted Maintenance and Development Coordinator

EOTA must identify the correct trails investment level based on its own expert knowledge; a number that represents the ideal average maintenance and development cost per kilometre of EOTA trail. This “sweet spot” should be relatively firm, with revisions every several years based on historical observations and changes in service, contracting costs, or inflation.

Given that EOTA works with numerous partners and only contributes direct funding to approximately half of the network, projections cannot be made for the entirety of the network’s cost relative to trail growth without data from other partners. At a minimum, EOTA records indicate it directly administers 1,200 kilometres of trails. This is the closest proxy to per kilometre cost available. In 2003 it directly administered 230 kilometres at a cost of \$325 per kilometre, and 1,200 kilometres in 2013 at a cost of \$197. The cost per kilometre has declined over the period, despite the increase in the kilometres directly administered by EOTA. This is encouraging for EOTA’s growth, but must be tempered with the reality that benchmarks need to be identified as to the ideal level of spending per kilometre of trail within EOTA’s operational area. Understanding the ideal level of spending will allow better assessments of where and when growth of EOTA’s trails is advantageous.

A new contract position, Trails Maintenance Coordinator, is recommended to help identify and plan for maintenance needs across the network and to coordinate mitigation or remediation planning. The position will require funding that is not currently built into EOTA's annual budgets. Earmarked grant-funding is suggested as the ideal source to procuring partial funding of the position, which will likely operate for a combined total of 6 months per year during key overlaps between winter-spring and fall-winter transitions.

The position should be occupied by an individual that is familiar with the general network and some of its key partners. Much of the work should be conducted via correspondence with partners in municipal governments or affiliated clubs, with some field work as well. Overall, some savings is expected to occur as the general manager would be unburdened from her current obligation to perform such tasks as time permits and with significant travel expenses. The proposed position instead remains relatively centralized and acts as a coordination hub for maintained across the network to the standards outlined in the future trails master plan. Part of the mandate of the coordinator will be to assess the per kilometre cost of different legs of the network to identify areas of excess cost.

The hourly wage should be based on the same scale as outlined in the role for the fundraising and marketing coordinator above; though the total annual cost will be lower because of the seasonal nature of the employment. Though a budget may not be available for such a role in EOTA's immediate future, the position should be created during the process of completing the trails master plan.

FIGURE 13: ANNUAL AND START-UP COSTS ASSOCIATED WITH NEW TRAILS MAINTENANCE COORDINATOR, ACCORDING TO PAY SCALE

Annual Costs	Low	High
Hourly wage	16	20
Hours per week	30	30
Gross Annual Salary	\$ 12,480	\$ 15,600
CPP @ 5.95%	\$ 617.76	\$ 772.20
Annual Phone line	\$ 60	\$ 60
Benefits	?	?
Total Annual Cost	\$ 13,158	\$ 16,432

One time Start-up Costs	
Office Computer	\$ 1,500
Phone Line Install	\$ 200
Desk and Chair	\$ 300
Sub-Total	\$ 2,000
Taxes	\$ 260.00
Total	\$ 2,260

Source: Millier Dickinson Blais. Note: This position is based on a 26 week per fiscal year budget, subject to contractual agreement.

d) Increase Donor Support Revenue

Donations constitute the smallest amount of revenue at EOTA. As discussed in a previous section, donation revenue between 2008 and 2012 represented only 0.02% of EOTA's average revenue. Historically, donations have not been greater than \$1,000.

As discussed, EOTA does not actively seek donations; however options exist to increase donation revenue without over-investing human capital.

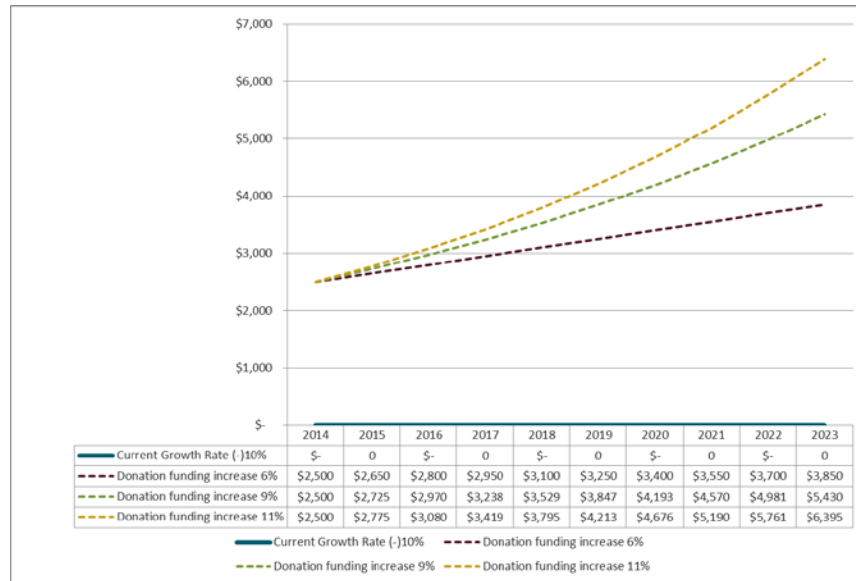
Sources of future revenue in the donation category may come from philanthropic organizations, community members or community leaders, or social organizations. Many non-profit organizations seek out donors who are willing to invest on a monthly or annual basis, creating a revenue stream that is easy to integrate into budget planning. Pledge drives may also help, especially if integrated with efforts to engage user groups, community organizations or other community volunteers. A pledge drive allows people to make connections between their donation and a specific outcome, such as a trails project, that is important to their community.

Fundraising efforts can be strategically targeted, and benefit the organization in terms of community engagement and volunteer outreach. Many high schools have a minimum requirement of volunteer hours before graduation. While there are challenges involved in engaging volunteers, there are also significant rewards, both tangible, in that volunteers can help EOTA meet its goals, and in terms of the communities' support of EOTA's activities. Revenue from fundraising can be used for trail development projects and community related expenses, such as signage or parking-lot map boards. Examples of fundraising initiatives include:

- Social-club/philanthropist organizations
- Themed Gala events/parties/festivals with raffles
- BBQs or Corn Roasts
- Student-run community drives
- Crowd sourcing campaigns through social media

The organization of fundraising initiatives and events can be undertaken with the support of user groups and other community organizations. Based on an initial goal of \$2,500 revenue for 2015, revenue projections are offered for 6, 9, and 11% on a 10 year horizon in Figure 13. Though the amount is not entirely large it must be seen for its supplemental qualities and symbolic investment in community involvement. The modest targets represent realistic goals, given that the fundraising position may not even be full-time to begin.

FIGURE 14: PROJECTIONS FOR DONATION REVENUE INCREASES



Source: Millier Dickinson Blais

e) Earmark Long-term Budget Items as Investments

In general, it is good practice to strive to maintain a balanced budget from year to year; however, sometimes circumstances arise where funding may need to be carried over or invested for the medium or long-term for unforeseen circumstances. A common myth among non-profits is that they cannot hold a surplus from year to year. In fact, as long as 3.5%, or greater, of revenue is spent by a registered charity, the remaining funds can be invested or reserved, provided revenues are not directly or indirectly allocated to a "member, director or officer", with the exception of employee salaries, and provided the organization has its financial statements audited yearly.⁸

If there is further debate on this point, a meeting with an attorney specializing in legal matters as they pertain to not-for-profits is recommended to satisfy any concerns. It is understood that not-for-profits can save additional monies as a carry-over from one year to another, provided the money is accounted for and the above criteria are met.

⁸ Province of Ontario, Ontario Not-for-Profit Corporations Act, 2010; Canada Revenue Agency, Disbursement Quota Calculation, March 4, 2010.

This Business Plan proposes two means of financial planning where holding a surplus for a period of a year or longer would be advantageous; for special long-term project savings earmarked appropriately in annual budgets and for a contingency fund.

■ **Medium and Long-Term Projects**

Most EOTA projects can be dealt with by prioritizing spending within the annual budget cycle, but some projects may require significant investment that would possibly fall outside of what EOTA could expect to receive in a single year's revenues. Take for example a large infrastructure project identified requiring work within the coming two or three years. It makes economic sense to portion parts of two or more annual budgets toward that large project in order to build enough reserve to deal with the expenses of the project. As long as the money is clearly designated as a line item in a budget, and appropriately identified in financial statements to be audited, the practice not only makes investment easier but also looks more organized. Three considerations are required, the importance and urgency of the project, the timeframe leading up to and including work on the project, and the estimated cost of the project. Having a mechanism in place for this form of investment does not mean that there always has to be money being saved for a rainy day, but rather, that in identifying specific projects when needed that meet the appropriate criteria (which should be determined by EOTA's board of directors).

■ **Contingency Fund for Emergencies**

It is a best practice of any organization to be prepared for unforeseen expenses, be they legal, infrastructural, or other. A contingency fund is a safety net of saved revenue that rests at an amount proportionate to the available budget from one year to another. The cushion is not the same thing as a rainy-day fund, but instead meant for surprise expenditures that are not part of a budget.

The point of a contingency fund is that an organization should almost never have to use it, but in the event that it needs capital for an unforeseen cost, it is there as an insurance policy. For example, if an organization's general manager needs to take prolonged time off, requiring the retention of additional employees, a reserve fund may ensure enough human resources are available and adequately paid. Similarly, if a lawsuit were initiated incurring unforeseen legal fees, a contingency fund may mitigate the financial strain placed on an organization. Finally, funding may cover interim costs while waiting for insurance claims to be processed in the event of an accident or damaged property.

EOTA needs to build a contingency fund over the medium term so that with 5 years the fund can value approximately 3 to 5% of an annual budget. A budget of \$505,700 would yield between \$15,000 and \$25,000 of reserve funding and be earmarked appropriately.⁹

⁹ Eastern Ontario Trails Alliance, Annual Budget, 2014.

3.2.1 Forecasting EOTA's Potential: Cases from Scenario 2

This scenario represents some initial investment on the part of EOTA for two coordinators' salaries, benefits, and Canada Pension Plan contributions, as well as office supplies and equipment, but these costs are predictable and can generally be anticipated. Projections are based on the average growth rate for each variable as well as target growth rate ranges for each variable. A status quo model is also provided for each indicator based on historic growth patterns.

Figure 15 shows that in its first year a new coordinator would cost at most \$35,064 and no greater than \$32,804 in subsequent years. If positioned as a project coordinator, grant funding could be used to support some or all of this expense. A second coordinator operating seasonally would constitute an initial cost of at most \$18,692 its first year and \$16,432 subsequently. In total, spending on the two roles annually would range between \$43,933 and 53,757 for the first year and between \$39,413 and \$49,237 subsequently.

FIGURE 15: START-UP AND ONGOING ANNUAL COORDINATOR COSTS

Marketing and Communications Coordinator				Trails Maintenance Coordinator (contract)				Cummulative Totals		
One time Start-up Costs				One time Start-up Costs						
Office Computer	\$	1,500		Office Computer	\$	1,500				
Phone Line Install	\$	200		Phone Line Install	\$	200				
Desk and Chair	\$	300		Desk and Chair	\$	300				
Sub-Total	\$	2,000		Sub-Total	\$	2,000				
Taxes	\$	260.00		Taxes	\$	260.00				
Total	\$	2,260		Total	\$	2,260				
Annual Costs				Annual Costs						
		Low	High			Low	High			
Hourly wage		16	20	Hourly wage		16	20			
Hours per week		30	30	Hours per week		30	30			
Gross Annual Salary	\$	24,960	\$ 31,200	Gross Annual Salary	\$	12,480	\$ 15,600			
CPP @ 5.95%	\$	1,235.52	\$ 1,544.40	CPP @ 5.95%	\$	617.76	\$ 772.20			
Annual Phone line	\$	60	\$ 60	Annual Phone line	\$	60	\$ 60			
Benefits		?	?	Benefits		?	?			
Total Annual Cost	\$	26,256	\$ 32,804	Total Annual Cost	\$	13,158	\$ 16,432	Cummulative Annual Total	\$	39,413 \$ 49,237
Total Combined Cost				Total Combined Cost				Cummulative combined cost Year 1	\$	43,933 \$ 53,757
Year 1	\$	28,516	\$ 35,064	Year 1	\$	15,418	\$ 18,692	Year 2	\$	39,413 \$ 49,237
Year 2	\$	26,256	\$ 32,804	Year 2	\$	13,158	\$ 16,432	Year 3	\$	39,413 \$ 49,237
Year 3	\$	26,256	\$ 32,804	Year 3	\$	13,158	\$ 16,432			

Source: Millier Dickinson Blais. Note: the Trails Maintenance Coordinator role is for a 26 week fiscal budget subject to contractual agreement.

Figure 16 provides a comparison between projected permit revenue increases based on targets ranging from 10 to 13% and the exact same values minus the initial cost of employing and installing a new fundraising and marketing coordinator and a trails maintenance coordinator. Based on the figure, at the 7% annual growth rate, EOTA could expect to see a return on investment (ROI) by 2019, where after expenses revenues would be \$168,240. For 10% annual growth (i.e. an increase of 3% from 2013 figures) the ROI would arrive one year earlier, and likewise again for 13%, seeing revenues of \$174,496 in. Further clarity is given in Figure 17, where the projected revenue increases are plotted on a line graph. Importantly, at the historical growth rate measured in 2012, EOTA would never see a return on investment

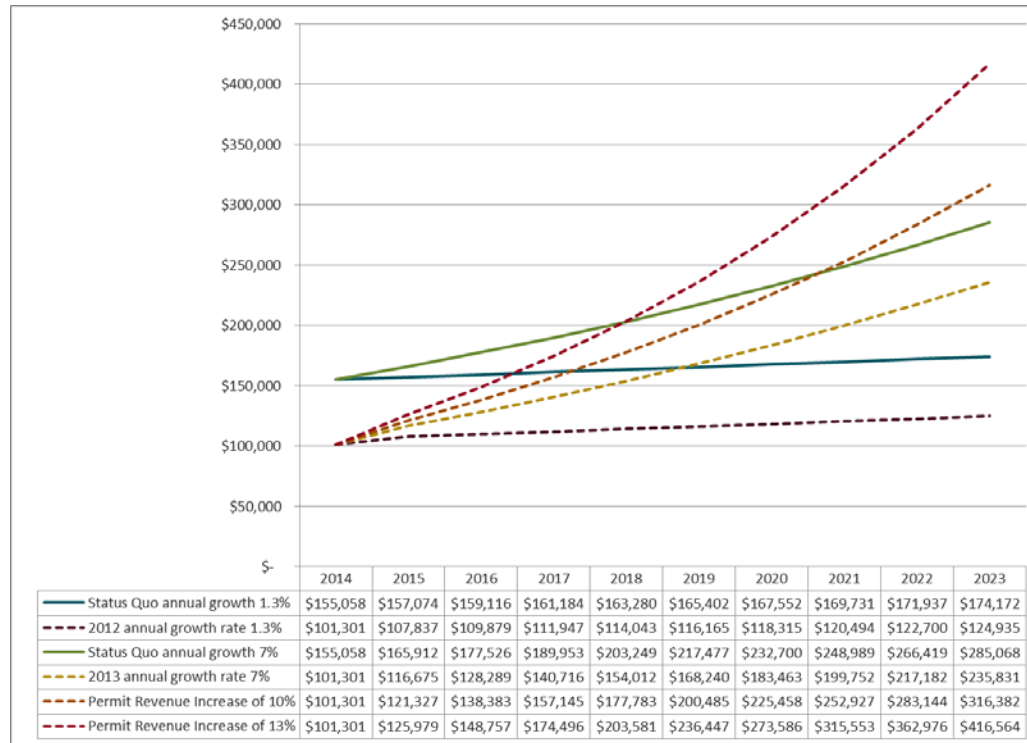
FIGURE 16: EFFECT OF NEW COORDINATOR ON PERMIT REVENUE INCREASE

Projected Revenues for Permit Sales Increases											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
2012 annual growth rate 1.3 %	\$ 155,058	\$ 157,074	\$ 159,116	\$ 161,184	\$ 163,280	\$ 165,402	\$ 167,552	\$ 169,731	\$ 171,937	\$ 174,172	
2013 annual growth rate 7%	\$ 155,058	\$ 165,912	\$ 177,526	\$ 189,953	\$ 203,249	\$ 217,477	\$ 232,700	\$ 248,989	\$ 266,419	\$ 285,068	
Permit Revenue Increase of 10%	\$ 155,058	\$ 170,564	\$ 187,620	\$ 206,382	\$ 227,020	\$ 249,722	\$ 274,695	\$ 302,164	\$ 332,381	\$ 365,619	
Permit Revenue Increase of 13%	\$ 155,058	\$ 175,216	\$ 197,994	\$ 223,733	\$ 252,818	\$ 285,684	\$ 322,823	\$ 364,790	\$ 412,213	\$ 465,801	

Projected Revenues for Permit Sales Increases, minus coordinator expenses											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Status Quo annual growth 1.3%	\$ 155,058	\$ 157,074	\$ 159,116	\$ 161,184	\$ 163,280	\$ 165,402	\$ 167,552	\$ 169,731	\$ 171,937	\$ 174,172	
2012 annual growth rate 1.3%	\$ 101,301	\$ 107,837	\$ 109,879	\$ 111,947	\$ 114,043	\$ 116,165	\$ 118,315	\$ 120,494	\$ 122,700	\$ 124,935	
Status Quo annual growth 7%	\$ 155,058	\$ 165,912	\$ 177,526	\$ 189,953	\$ 203,249	\$ 217,477	\$ 232,700	\$ 248,989	\$ 266,419	\$ 285,068	
2013 annual growth rate 7%	\$ 101,301	\$ 116,675	\$ 128,289	\$ 140,716	\$ 154,012	\$ 168,240	\$ 183,463	\$ 199,752	\$ 217,182	\$ 235,831	
Permit Revenue Increase of 10%	\$ 101,301	\$ 121,327	\$ 138,383	\$ 157,145	\$ 177,783	\$ 200,485	\$ 225,458	\$ 252,927	\$ 283,144	\$ 316,382	
Permit Revenue Increase of 13%	\$ 101,301	\$ 125,979	\$ 148,757	\$ 174,496	\$ 203,581	\$ 236,447	\$ 273,586	\$ 315,553	\$ 362,976	\$ 416,564	

Source: Millier Dickinson Blais: Note, for 2014 the employee cost is based on the most expensive pay scale plus the initial start-up costs, while in subsequent years (i.e. 2015 onward) the amount is based on solely the most expensive pay-scale and annual costs. Status quo values in the bottom table represent values if the proposed coordinator positions were not filled. Intersections between projected trends after expenses and status quo growth represent points where a return on investment has occurred.

FIGURE 17: PROJECTED REVENUES AFTER NEW COORDINATOR DEDUCTIONS



Source: Millier Dickinson Blais. Note: Status quo values represent values if the proposed coordinator positions were not filled. Intersections between projected trends after expenses and status quo growth represent points where a return on investment has occurred.

4

Marketing Plan

The marketing and communications plan is an essential step forward for EOTA to increase visitation and community ownership of the trail network. The marketing activities plan is aggressive, but targeted to three specific audiences that are important to EOTA's future success.

The activities will require at least a part-time and ideally a full-time marketing and communications coordinator. This can be a main component of the proposed marketing and fundraising coordinator outlined in the previous chapter. It is important to note the purpose of the position is not just to increase the familiarity of residents with the trails or to increase visitation, it is also to communicate important information to the community about the health benefits of being active on the trails, increase awareness of safety regulations, increase trail pass sales, and support the local business community by attracting tourists to the area that will support the local economy.

The marketing plan first identifies the target markets that EOTA is best positioned to attract and then outlines the media and activities that are the best ways to reach these audiences.

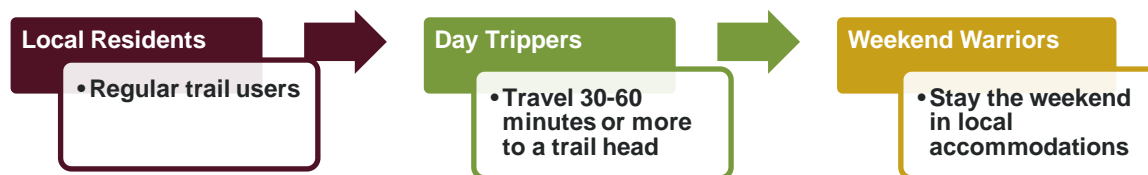
EOTA currently works with Engine Communications in regard to its online and promotional materials design and administration. The two organizations have a strong relationship and a successful marketing campaign totalling \$75,000 in 2013's annual budget paid substantial dividends in terms of trails pass sales, which EOTA reports amounted to a \$155,058 for 2013, an all-time record. Despite the clear success, EOTA must now look to expanding its market presence in other assertive ways, outlined in the following three target markets.

4.1 Target Markets

EOTA's trails offer a destination tourism experience and a community amenity. A destination attraction is the primary reason for a visit which is usually planned by the user well in advance. Ideally, a community amenity is used regularly by residents and is usually familiar to the user. Marketing is most effective when targeted differently to these two audiences. Figure 18 illustrates these audiences, which are described as weekend warriors and local residents, respectively. The third category in the graphic is really an extension of local residents, but indicates a greater distance to travel.

EOTA has a number of excellent opportunities to develop new visitation markets. The following figure describes the potential opportunities, ordered from left to right by increasing economic impact.

FIGURE 18: EOTA TARGET MARKETS



Local Residents – are local residents looking for a new or familiar adventure. Some strategies that may increase the use of local trails include encouraging regular outings organized by local clubs, increasing communications within EOTA service area, and maintaining good signage and trail conditions to make the trails experience enjoyable, over and over again.

Some of the activities that regional residents particularly enjoy include:

- Hiking and ATV club outings
- Learning about a new lookout or a new side trail that they haven't yet explored
- Social opportunities to get together with friends
- Variety of activities that can be done alone or in small groups, like snowshoeing, skiing, ATV, hiking/walking, trail running, dirt bikes

Day Trippers – are regional residents looking for a new adventure. Some strategies that may increase the use of local trails include encouraging regular outings organized by user groups and community organizations, increasing

communications within EOTA service area, and maintaining good signage and trail conditions to make the trails experience enjoyable, over and over again.

Some of the activities that regional residents particularly enjoy include:

- Fitness challenges (e.g. Boot camps, Tough Mudder events)
- Mountain biking on dedicated single track trail
- Community festivals and events located on trails
- Hiking and ATV club outings

To encourage more visits to trails within the region, information on longer trails with scenic vistas or other signature experiences should be highlighted in all marketing content.

Weekend Warriors – are travelling from further afield, usually from major urban centres and are looking for a weekend away from the city. The quality of an outdoor adventure attraction needs to be significant to attract tourists from the neighbouring major markets of Toronto and Ottawa and bordering American states. There need to be comfortable accommodations for visitors and other amenities to occupy them when they are not out on the trail. They want to fill two days with outdoor activities and need a place to stay and great food at the end of each day. Entertainment opportunities, local museums or community festivals and events may also interest them.

To attract weekend warriors, EOTA might work with the business community and business support services to build ‘Trail Town’ experiences, identify and promote signature experiences (including annual tours), encourage local communities to develop events (e.g. fundraising, charity, community festivals). Regional Tourism Organization 11 may be of some assistance in product development and marketing, and the tourism charter developed through the Hastings Tourism Strategy may also support EOTA’s efforts.

In some other areas, such as the Great Allegheny Passage (G.A.P.) trail, touring weekend warriors can arrange to have their baggage transported by businesses from one bed and breakfast or hotel to the next along an establish route, freeing them up to enjoy their travel. A similar service may be successful in the EOTA region.

Some of the activities that weekend warriors particularly enjoy include:

- Long distance bicycling and bike camping
- Motorized and non-motorized touring
- Mountain biking parks

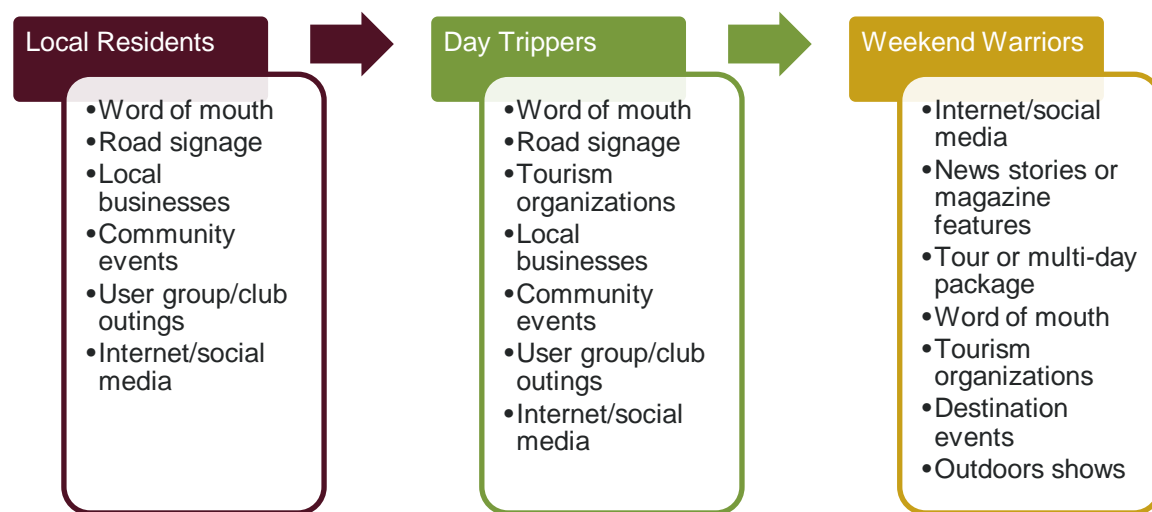
By partnering with business development organizations such as Community Futures and by promoting the Trail Town concept described in the Great Allegheny Passage case study, EOTA may be able to encourage the kind of business development that will be needed to support an increased number of weekend warriors in the EOTA region.

Marketing will also increase visitation. Many of the media that appeal to residents and day trippers also serve to attract weekend warriors, such as word of mouth, internet and social media advertising.

4.2 Media: Reaching the Target Markets

Each target market requires a different approach to marketing. All trail users are likely to use an attractive, clearly signed, well-maintained trail with amenities such as rest stops and a good vista or view.

FIGURE 19: REACHING EOTA'S TARGET MARKETS



When each group enters the trail, basic communications materials are also necessary that help them enjoy their experience, such as good road and trail signage, rules of the road, trail pass information, and trail maps (physical or digital).

FIGURE 20: EOTA MARKETING ACTIVITIES

Activity	Target Market	Description	Cost
Word of mouth	All	When residents have a positive experience on a trail, they share that information which encourages others to explore the trail.	Maintaining a high quality trail experience and encouraging the spread of positive stories through social media (see below).
Road signage	Local Residents, Day Trippers	Road signs can either be custom signs or TODS signs advertising the trails in a particular area.	Design (if needed), Installation, annual fees and replacement costs every five years
Local businesses	Local Residents, Day Trippers	Marketing materials, such as trail maps, safety and trail pass information, should be available on the counters of local businesses throughout the EOTA service area. Residents will likely pick up this information at an outdoors equipment store that is related to their sport of choice, but gas stations and other common stops are also good locations.	Design and printing of materials – Staff time to travel to distribute materials, time to meet with businesses and answer their questions or the questions of their staff
User group/club outings	Local Residents, Day Trippers	Regular outings organized by outdoors clubs and user groups encourage more people to use the trails	Staff time: A special projects coordinator championing increased volunteerism and fundraising
Community events	Local Residents, Day Trippers	Events give residents a reason to experience a trail for the first time, or on an annual basis; they can be organized by user groups and community groups with EOTA's support and encouragement. Funds raised from community events could include a contribution to EOTA to support the venue.	Staff time: A special projects coordinator championing increased volunteerism and fundraising
Destination events	All	Some community events grow to become destination events, which tourists will travel a day to attend Partnering with such events through cross marketing is a good strategy to introduce tourists to the trail system, particularly if the trails can be profiled in some of the event activities.	Staff time: Work with user groups and community groups that operate destination events to cross market the trail network

Activity	Target Market	Description	Cost
Internet/social media	All	<p>Internet based communications are more and more commonly used to share trail stories and learn about trail experiences</p> <p>Communications project to develop new internet based materials and social media platforms, then a communications staff position</p>	<p>Website maintenance and upgrades as well as content development are needed on an ongoing basis to continually attract internet traffic</p> <p>Content development projects should include trail videos, an EOTA blog describing popular hikes, and professional trail photography.</p> <p>Staff time is also required to update content and manage social media campaigns as well as ongoing activity</p>
Geocaching	Day trippers Weekend Warriors	<p>Geocaching is a global movement that is already active in the EOTA service area¹⁰ EOTA can heighten interest in geocaching by:</p> <ul style="list-style-type: none"> - Creating caches where caches do not yet exist on its trails - Offering orienteering sessions – perhaps in partnership with user groups and community organizations - Tracking custom geocaching tokens as they travel around the world 	<p>Geocache materials (logbooks, waterproof containers, prizes/tokens), EOTA geocaching tokens, staff or volunteer time to monitor and check on caches</p>
Tourism organizations	Day Trippers, Weekend Warriors	<p>Destination Marketing Organizations (DMO) and Regional Tourism Organizations (RTO) both play important roles in getting information in the hands of potential visitors to the EOTA trail system.</p> <p>Many tourists stop at tourism information centres or use DMO/RTO websites as an important source of information when planning a trip or while on the road to their destination</p> <p>DMO/RTO both attend trade shows on the part of their constituencies including EOTA</p>	<p>Staff time to build relationships between organizations and arrange joint marketing efforts</p> <p>Shipping print materials to tourism information centres and to DMO/RTO for trade shows/display</p>
News stories, newsletters and magazine features	Weekend Warriors	<p>News coverage is a great form of marketing. EOTA can prepare press releases or media kits to encourage stories about its successes and the interesting things that are happening on its trails.</p> <p>News stories circulate for a long time and encourage new visitors to explore the trail system.</p> <p>Community newsletters are a great way to distribute stories to partners, user groups, and community groups</p>	<p>Staff time to compile media list, prepare press releases and community newsletters, collect photos, distribute them and set up follow up interviews</p>

¹⁰ <https://www.youtube.com/watch?v=1YTqitVK-Ts>

Activity	Target Market	Description	Cost
Tour or multi-day package	Weekend Warriors	EOTA is already encouraging local businesses to create packages that include trails experiences. All that is needed is to increase the number of businesses that are participating in package development and market these packages to potential visitors by incorporating these packages in existing marketing materials.	Staff time to visit and recruit businesses, as well as incorporate packages into marketing
Outdoors shows	Weekend Warriors	Outdoors shows in Toronto and Ottawa are a great way to spread the news about the EOTA network. In general, trade shows are too expensive to be worth attending – however, the major outdoors shows in Toronto ¹¹ and Ottawa ¹² would be good events to send one staff person to participate in as part of a larger delegation by a DMO/RTO Border American states or Montreal, Quebec may also be a good target for trade show attendance, with the support of partner organizations to reduce costs.	Travel, accommodations, trade show fees, and staff time.

¹¹ <http://outdooradventureshow.ca/toronto/visitor/>

¹² <http://www.adventureottawa.com/>

5

Activities Plan

The activities plan defines the roles and responsibilities for EOTA to offer the best experiences for trail stakeholders and to ensure that all organizational goals are being met.

EOTA is a leading organization for trail networks in Eastern Ontario. The main roles and responsibilities of EOTA are:

- To manage and maintain the trail network
- To foster partnerships among many stakeholders and create a network of trails users
- To develop local business opportunities around the trail network and to promote the trail network as a regional tourism asset
- To advocate for trail and trail use standards in the region, and to influence stakeholders and government entities to support those standards

FIGURE 21: OVERVIEW OF EOTA ROLES AND RESPONSIBILITIES

Trail Management	Partnerships & Networking	Business Development & Visitation	Advocacy
<ul style="list-style-type: none"> ■ Partner with municipalities in the upkeep and management of trails ■ Prioritize areas that improve the user experience ■ Be a hub of information and support on trails management expertise 	<ul style="list-style-type: none"> ■ Build opportunities for trail stakeholders to come together and create partnerships ■ Create networking opportunities to expand the trail network, while also facilitating exposure to useful and new information for trail stakeholders 	<ul style="list-style-type: none"> ■ Develop the trail business network and evaluate the economic impacts of the trail system ■ Work with partners to support trail businesses in accessing loan capital ■ Market the trail network, increasing visitation, regional tourism and trail pass revenue ■ Work with partners to market the trail network outside of the EOTA service area 	<ul style="list-style-type: none"> ■ Work with partners to set the standards for trail management and legislation in Eastern Ontario ■ Communicate frequently with the public when advocating for change

In addition, the operations of the trail network are a core responsibility of EOTA, and activities relevant to organizational planning and management are also included.

5.1 Trail Management

The management of the trail network is one of the most important roles the EOTA organization can play. Leadership in ensuring the network is managed to a high standard and maintained and repaired where needed ensures that demand to use the trails continues to grow. Given the large amount of work needed to manage the trail network, it is important that EOTA play a facilitative role in the upkeep and growth of the network rather than a direct management role. EOTA is best suited to manage the variety of local trail groups and municipalities to do the physical work on the trail network, while providing support to these groups in what they need. EOTA, however, must remain flexible and be able to offer more than a facilitative role in some cases to ensure that the trails are to the high standard that is expected by the organization.

EOTA will let local groups play the lead role in trail building and maintenance. By shifting focus away from the upkeep and expansion of the network, EOTA staff can prioritize efforts to improve other aspects of the current trail system that improves the overall user experience, such as improved signage, aligning local businesses along product development and thematic areas, and partnering with specialized groups to offer training, business development, or organizational support to trail stakeholders. An important ingredient is the trails maintenance coordinator, who will act as a liaison to other user groups and partners to identify trail needs and to make sure that trial maintenance plans meet EOTA standards.

EOTA's expertise in managing and maintaining a large trail network positions them well to be an important support system for local partners focused on building and maintaining trails. EOTA can be a hub of information for partners looking for new ideas on how to build and manage the physical aspects of a local trail network, offering best practices and training sessions with experienced and renowned trail builders. EOTA can be the go-to authority on up-to-date legislation and regulations for municipalities to consult when working on their local trails.

FIGURE 22: EOTA'S TRAIL MANAGEMENT ROLES AND RESPONSIBILITIES

Activity	Description	Cost
Update Trails Master Plan	Evaluate the EOTA trail network and identify markets for potential expansion trails and existing trail developments	Special Project Coordinator staff time Consulting fees
Install Trails Maintenance Coordinator after master plan is completed	EOTA will develop an internal position whose mandate is to coordinate and prioritize maintenance and trails development for short, medium and long-term, in direct consultation with other trails partners in EOTA's network	Season coordinator staff time of up to 26 weeks per year during key transition seasons on the network Staff time
Create Trail Maintenance Standards	As part of the Trails Master Plan, create a set of maintenance standards that apply to different types of trails within the EOTA network; trails with the potential to attract weekend warriors should be maintained to a higher standard than others, for example	Special Project Coordinator staff time Consulting fees
Trail signage program	Continue program of signage development and replacement As part of Trails Master Plan, chart future plans for signage investment based on priority trail projects	Signage development and maintenance costs Special Project Coordinator staff time Consulting fees
New trail development	Develop new trail experiences targeted to market opportunities confirmed in the Trails Master Plan	Trail development costs Staff time
Trail user counting program	Count trail users on an annual basis to track tourism visitation and assess the appropriate maintenance standard of the bottom 10 percentile of trail segments	Staff and user group/community volunteer time
Consider establishing reserve fund for organizational sustainability	Discuss the possibility of a reserve fund with legal authority on non-profits If appropriate, contribute annually to a reserve fund, earmarked for emergencies and unexpected or urgent trail related expenses	Annual contributions from organizational revenue

5.2 Partnerships and Networking

EOTA is a hub for municipalities, trail user groups, government representatives, and local business in Eastern Ontario. EOTA has built an extensive network of these various trail stakeholder groups, and has created a platform through which they can come together in partnership. EOTA's continued success will come from the organizations ability to coordinate and organize these diverse stakeholder groups over large geographic areas, and to build opportunities for this network to come together, share and learn information, and create partnerships between various groups.

EOTA itself can act as an important partner for trail stakeholders by acting as a central hub of information and support relevant to a diversity of trail stakeholders. Some examples of information or support that would be useful include what type of insurance is needed by trail groups, what funding sources are available and how to write funding applications/proposals, encouraging partnership by connecting various stakeholders looking to achieve similar goals, and acting as a bridging agent for government departments to interact with when trying to reach multiple trail groups simultaneously. In this regard, EOTA unites the many voices found within the trail network, increasing the voice and bargaining power of the network. Uniting the network has a strong potential to lead to greater cost savings through group rates and cost sharing within the network.

EOTA is also well positioned to create networking opportunities for trail stakeholders to meet with each other, while also expanding the network to include others that can be a resource for those within the network. Examples include expanding the network to include alternative funding resources, trail management experts, and marketing and social media professionals. Exposing the trail network to new, relevant resources for their local trail operations can have important long-term effects on the performance of the overall trail system in Eastern Ontario.

Collaboration with the municipalities within the trail network is especially important. Creating spaces for the various municipalities to come together to talk about trails, bring new ideas forward, and collaborate on projects is a good example of the facilitative role that EOTA can play within the municipal network. The current EOTA Board of Directors structure is an excellent example of how to bring together the various municipalities in constructive ways.

FIGURE 23: EOTA'S TRAIL PARTNERSHIPS AND NETWORKING ROLES AND RESPONSIBILITIES

Activity	Description	Cost
Volunteer engagement and fundraising development	A special projects coordinator engages user groups, community organizations, and volunteers through communications and fundraising programs	Special Projects Coordinator and Fundraising and Marketing Coordinator staff time Promotional and fundraising materials
Community trail event development	A special projects coordinator engages user groups and community organizations to encourage the development and expansion of trail events	Special Projects Coordinator staff time Promotional materials
Youth engagement program	EOTA considers a special youth position on the Board of Directors EOTA supports the employment of youth by creating cooperative education placements	Staff time
Ensure partner contributions cover EOTA's cost of partnership	Determine maintenance costs per kilometre of trail and ensure costs are covered when entering	Administrative staff time

5.3 Business Development and Visitation

EOTA has a large role to play in developing the business interests along the trail network and promoting the trail system as a large tourism draw in Eastern Ontario.

The EOTA trail network brings significant business opportunities with it. In 2013 EOTA evaluated the impact of the trail network in RTO 11 – Haliburton Highlands to the Ottawa Valley region to have contributed almost \$6 million dollars in visitor spending to the local economy (with additional large impacts on local employment and taxes).

A main focus for EOTA as an organization should be on developing the business network associated with the trail system and evaluating the economic impacts of the trail system. EOTA is well-positioned to facilitate the development of the business network for the trail system by supporting municipalities and local business in business planning, entrepreneurial coaching, market information and trail trends, marketing support, as well as broader information on how to make a trail business more inviting to trail users (such as providing outdoor seating, designating areas for parking of motorized trail vehicles, and incorporating theme ideas in line with offerings along the trail network).

EOTA can also provide support to trail businesses in accessing loan capital. EOTA is well positioned to be an information hub for trail businesses on resources and best practices in accessing business financing, and can support local business in connecting with these financing channels through networking and partnership opportunities. EOTA can also support local business by consistently researching and evaluating the economic impacts of the trail network to help build the case for further business development along the trails, and to support local businesses with facts and figures for inclusion in their business planning and forecasting. Frequent communication of this economic impact will also help EOTA garner support from businesses (and other stakeholders), and help EOTA demonstrate its role as a central hub for the trail network.

EOTA also acts as an information resource for visitors to the Eastern Ontario region, organizing and promoting many of the accommodation and business providers in the area. Visitors to Eastern Ontario research package offerings, things to do, and places to stay via the EOTA online presence. EOTA has an active role to play in highlighting the trail network to visitors and tourists and demonstrating the tourism offerings related to the trail in the region. Opportunities exist for EOTA to build on the presence of the trail network for tourists by hosting regional events that showcase and encourage the use of the trail network.

FIGURE 24: EOTA'S TRAIL BUSINESS DEVELOPMENT AND VISITATION ROLES AND RESPONSIBILITIES

Activity	Description	Cost
Implement Marketing Plan	Design and distribute EOTA's marketing and communications material/content on an ongoing basis Hire fundraising and marketing coordinator	Staff time and travel expenses Marketing product development and distribution expenses Geocaching program
Work with experts to get desired marketing results	Continue working with marketing experts such as Engine Communications, with clear notions of messages to be disseminated and common understandings of desired strategies and objectives	Fundraising and marketing coordinator staff time Consulting or service fees
Track progress of marketing plan	Track the impact of marketing and promotion activities in terms of increases in donations and trail pass purchases	General Manager staff time
Tourism packaging and weekend itinerary development	Increase business participation in tourism packaging projects through business visitation and marketing efforts	Fundraising and marketing coordinator staff time
Weekend trail passes	Get more cyclists buying trails passes for vacations from target markets in Toronto, Ottawa and even Montreal	Staff time

5.4 Advocacy

EOTA is an advocate for trails and trail users in Eastern Ontario, setting the standards for trail management that other trail groups are following. EOTA advocates for trail and trail use standards in Eastern Ontario, and works to influence stakeholders and government entities to support those standards. EOTA is well positioned to influence a broad range of stakeholders from local municipalities, businesses, and user groups, to provincial and federal government and pan-regional organizations. EOTA can leverage its extensive network to negotiate trail standards that best meet the needs of EOTA stakeholders, while also augmenting the impact of local clubs and municipalities by uniting them into one voice.

EOTA's advocacy impact will be strengthened the more the organization prioritizes external communication to the public. External communication will raise the profile of the organization, help share the economic impacts of the trail network, and create more public momentum for the organization when advocating for change. In particular, opportunities exist for EOTA to produce a variety of influencing campaigns targeted at various groups, such as municipal planners and government regulators, to provide rationale behind why certain changes would be advantageous for the trail network and what the impacts of those changes might be.

FIGURE 25: EOTA'S TRAIL ADVOCACY ROLES AND RESPONSIBILITIES

Activity	Description	Cost
Advocate with Ontario Power Sports Working Group	Continue to support the establishment of a stable provincial source of funding for trails initiatives	General Manager staff time
Consistent off-road vehicle legislation	Continue to advocate for more consistent legislation for all types of off-road vehicles in Ontario	General Manager staff time
Provincial advocacy	Continue to seek mutually beneficial understandings with Ontario Ministries of Transportation and Natural Resources that further safe and responsible trail development in partnership with key ministries	General Manager and Special Project Coordinator staff time