



Kitchener Scout House
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Business Plan

**Supporting Scouting
in North Waterloo**

by

**Retaining an Active
Scout House**

SCOUTS CANADA

February 2010

Scouts Canada

North Waterloo Area

Business Plan to Retain NWA Scout House

Executive Summary:

The North Waterloo Scout House, located at 844 Frederick Street in Kitchener, is a valued resource for Area Scouting members. The facility is home to the Scout Shop that serves the North Waterloo and surrounding Areas. The meeting room facilities are used extensively by Area volunteers for planning meetings and events.

Scouts Canada continues to face funding issues and considers ways to reduce costs while maintaining quality programs for youth. As a result, over the past years, consolidation of Scouts Canada offices and the sale of lesser-used properties have occurred.

The North Waterloo Area Scout House is current operating with an annual operating deficit of about \$9,000.

In order to retain the Scout House, the North Waterloo Area members need to present a plan that is sustainable, offsets the operating costs, and puts funds aside for future capital improvements.

The volunteer members of the Area were asked to participate in a survey to provide their input into the planning process. With those results in hand, a working group is proposing a plan that will fully offset the operating costs and create a capital fund.

The Plan

Annual Revenue:

Rental from Scouts Canada Retail (Scout Shop)	\$ 7,200
Continued rentals from existing outside users of facilities	\$ 1,800
Rental of office space (new)	\$ 4,800
Area fundraising activities for Scout House	\$ 1,500
Parking lot space rentals/storage	\$ 500
Additional non-scouting activity facility rentals	\$ 500
NWA Group activity rentals	\$ 300
NWA member levy (to be paid by each Group)*	\$ 5,500
	<u>\$22,100</u>

* The levy and it's amount are explained in "The Plan" below and exemplified for 2010-2011 and 2011-2012 in "Example of how the plan will work" on page 7

Disbursements:	
Central Escarpment Council (for operating)	\$18,000
Scout House Capital Fund	<u>\$ 1,500</u>
	\$19,500
 Net Proceeds	 <u><u> </u></u>
	\$ 2,600

The annual net proceeds will be used:

- First, to provide a contingency against any short falls in the revenue targets in that year.
- Second, to be applied against revenue targets in the following year. For example, the member levy could be reduced.

The key to making this plan sustainable is for all North Waterloo Groups, through their respective Group Commissioners, to accept the responsibility and work toward achieving the revenue targets.

Previous Accomplishment:

In 2008, a North Waterloo Area (NWA) working group was established to look at the future of the Scout Shop and Scout House. The working group is made up of professionals with business expertise and experience.

Following discussions with the Area Commissioner's Team, NWA Group Commissioners, Central Escarpment Council members and Scouts Canada staff including the management of Retail Sales, the working group developed and implemented a win-win proposal for the future of the Scout Shop that satisfied the needs of all.

As background, it is important to note that the NWA has a long and successful tradition of managing its own affairs. It was through local commitment, support and work that this Area established two major camp properties as well as the NWA Scout House and the Scout Shop. We believe that this commitment remains today.

In addition to providing the goods needed for quality scouting programs for NWA youth, the Scout Shop is also a point of contact with Scouts Canada for the community including parents who are looking for information when considering activities for their children.

The NWA has a great deal of confidence in and support for Peter Miller. In addition to managing the Shop, Peter is effectively a point of contact for Scouts Canada in the community, for youth and their parents and for NWA volunteers. Peter's tremendous experience, knowledge of the Scouting program and of other resources is an important reason for North Waterloo Area successes.

Scout House Today:

In November 2008, discussions identified a number of capital improvement items that needed discussion and attention in order to maintain the NWA Scout House in a state of repair suitable for membership usage and possible usage by others. Work identified included:

- Cleaning and painting.
- Heating/air conditioning repairs/replacement.
- Hardwood floor refinishing; carpet cleaning and/or replacement.
- Upgrade of washrooms.
- Furniture repair.
- Roof repair (completed).
- Drain system repair (completed).
- Street signage.

In the spring of 2009, the NWA Property Management Committee received approval to proceed with up to \$20,000 on the repairs list. Work completed to date includes the roof and drain system repair and a major cleaning of the floors in the washroom. The next priority is the replacement of the roof mounted heating and air-conditioning equipment (supplies about 50% of the building needs).

Some of the work that needs to be addressed (cleaning, painting, furniture repairs) can be accomplished through volunteer efforts of the Area. The work has to be quality. But the Area does have access, through membership, to skilled craftsmen.

The Plan for NWA Scout House:

Current Financial Position

<i>Revenue</i>	
• Rental income from Scouts Canada Retail (Scout shop)	\$ 7,200
• Rental income from non-scouting uses of facilities	<u>\$ 1,800</u>
	\$ 9,000
<i>Expenses</i>	
• Operating costs (provided by CEC staff)	\$18,000
Deficit	\$ 9,000

This is not a one-year situation. Scout House has been running a deficit for a number of years. Scouts Canada can not afford to continue to carry this cost burden without considering contingency actions.

As indicated earlier in this document, the NWA Scout Shop was in a similar situation. The actions, developed and implemented by the working group, allow the Scout Shop to show a modest profit while contributing significantly to Scout House revenue stream.

That same working group has taken on the challenge of doing the same for NWA Scout House.

Objective

To save and maintain the NWA Scout House, as a valued resource for use by the NWA membership, by developing a sustainable mechanism that will increase Scout House revenue by \$9,000 annually and by creating a capital fund.

NWA Membership Input

The working group collected input from the NWA membership through an on-line survey. 33% of the NWA volunteers responded and took part in the survey. As background to the survey, an article was published in the NWA newsletter.

The responses to the Survey show that:

- Scout House is a useful scouting resource (96.6%)
- Scout House should generate income (83.7%)
- Scout House income should be generated from:
 - Rental of office space (86.6%)
 - Fundraising (83.3%)
 - User fees from Scouting events (71.9%)
 - Member levy (38.2%).
- Survey respondents visit the Scout Shop, on average, 10 times a year. 43.3% visit regularly or often and a further 47.1% visit occasionally.

The Plan

With this input the working group has developed the following plan.

The working group is asking Group Commissioners to consider the plan and approve its implementation for the 2010-11 Scouting Year.

Revenue Generation:

Rental of office space	\$4,800*
Fundraising for Scout House	\$1,500
Parking lot space rental/storage	\$ 500
Additional non-scouting activity rentals	\$ 500
NWA Group activity rentals	<u>\$ 300</u>
	\$7,600

* A rental proposal has been presented to CEC for approval.

This revenue-generating plan misses the objective of \$9,000 by \$1,400 and does not provide for a contribution to a capital fund. Further, other than the rental of office space, the remaining revenue generating initiatives are 'targets' and not fully sustainable on a year-to-year basis.

To ensure the plan is sustainable, in year-1 (2010-11), the plan includes a contribution from each NWA Group based on \$5.00 per registered member (youth and adult). This will generate income revenue of \$5,500.

With the contribution, the revenue generation plan is:	
Shortage from above	(\$1,400)
Membership contribution	<u>\$5,500</u>
Excess	\$4,100
Contribution to the Capital Fund	<u>\$1,500</u>
<i>Net proceeds</i>	<i>\$2,600</i>

The net proceeds provide a contingency for revenue shortfalls should any of the revenue generating activities not achieve planned targets. At the end of the year, the net proceeds from that year will be used to support Scout House in the following year (e.g. through reducing membership contributions).

Example of how the plan will work		
	2010-11	2011-12
Objective: Contribution to off-set operating costs	\$ 9,000	\$ 9,000
Contribution to a Capital Fund	<u>\$ 1,500</u>	<u>\$ 1,500</u>
	\$ 10,500	\$ 10,500
Net proceeds from previous year	\$ 0	\$ 2,600
Revenue generating activities (excluding member contribution)	\$ 7,600	\$ 7,600
Membership contribution	<u>\$ 5,500¹</u>	<u>\$ 2,750²</u>
	\$ 13,100	\$ 12,950
Net proceeds to be applied to the next year	\$ 2,600	\$ 2,450

¹ Calculated using \$5.00 per registered member.

² Calculated using \$2.50 per registered member. Any excess funds, if revenue-generating activities exceed the target, could reduce the membership contribution further.

With approval of the plan, the working group will arrange for the plan to be managed within NWA and will provide the Group Commissioners with an annual financial accounting.

Revenue generating activity targets and membership contributions will be reviewed and set annually.

The NWA Scout House Working Group

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