



BUSINESS PLAN FOR



September 2024

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Executive Summary

Beaches Community Centre (formerly Victoria Beach Community Centre) is a vibrant meeting place where residents of the East Beaches of Lake Winnipeg gather for wellness through programming and events. The volunteer board is very much engaged in the operation of the Centre and is working towards generating sustainable revenue to support professional management. Professional management is critical to the long term success at Beaches as current board members and volunteers are overworked. Revenue generation is being realized through membership, sponsorships, advertising, significant fundraising events like Summer Winds and an annual golf tournament.

The Centre recognizes the need to differentiate through programming and has embarked on a capital campaign supported by matching provincial government grants that has resulted in the building and opening of 6 quality pickleball courts as well as a basketball court. In addition, enough funds were secured to cover the fitness equipment required for the new fitness facility. The grant application indicated that an interim facility would be identified and equipped with the new equipment to allow for the community to enjoy the benefits of fitness while funds continue to be raised for the building expansion at Beaches to house the new facility. The interim facility opened in December of 2023 and has attracted over 100 paying members which supports the results of a 2022 survey that suggested that over 68% of the community would be likely to use a fitness facility.

It was originally estimated that the design/build of the building expansion of Beaches Community Centre (BCC) would be \$700,000. The 2 estimates that were obtained were in excess of 1,100,000. A new design submitted in August of 2024 had a suggested build budget of \$2,000,000. This fact combined with an uncertain future of the available matching government grant, and donor fatigue, has pushed the build back at least for the foreseeable future.

Based on the significant uptake of members to the interim facility, the community is hungry for, and willing to support a quality fitness facility.

As the first lease option is set to expire for the current interim facility in December of 2024, the membership has voted to move forward with a 3 year lease with two 1 year options for an expanded interim facility with an expanded footprint to 1035 Sq Ft. (more than doubling the current footprint). The expansion of the interim facility will allow Beaches Community Centre to gather data about membership and trends based on 4 years of use. This data will allow the board to make an informed decision about the actual size of the facility that will meet the current and future needs of the community.

Conservative estimates suggest that fitness membership revenue will reach \$30,000 / per year in the 3rd year of new lease, with a profit of \$13,000 delivered to Beaches

Community Centre. These revenues will create much needed sustainable revenue for BCC. Additional memberships and non-direct revenues would be generated as well, adding to the base. Financial projections are detailed in the main body of the business plan.

Community Overview and Challenge

East Beaches Community is a growing, vibrant year-round community that is geographically described as the area bordered on the East by Lake Winnipeg, South to Beaconsia, North to Sandy Bay (Victoria Beach) and East to Pine Falls. The community has a growing year-round population of approximately 5,000 that swells exponentially in the summer cottage season. East Beaches lacks many of the services of an urban centre including a quality fitness facility. Much of the permanent East Beaches population is aging, creating a need for more wellness-based facilities and programming.

Community Solution

BCC has opened an interim fitness facility and purchased new quality fitness equipment that creates a high quality fitness experience. Although the footprint of the interim facility located at East Beaches Social Scene is only 425 sq ft, it has more than proven the viability of a fitness facility by delivering revenues in excess of \$15,000 during the first 10 months of operation.

Value Proposition

BCC has already proven a value proposition for fitness to the East Beaches Community based on the fact that the interim facility has attracted over 100 paying members in only 10 months. An expanded interim facility that will create a better workout experience will attract even more members that were waiting for a more “complete” fitness facility.

Market Overview

The market for a fitness facility can be described as non-gender and non age-specific, with most members of society being concerned with wellness. A slight bias to an older demographic is noticeable in most fitness memberships. The East Beaches market is

mirrored in a successful fitness centre installation in Onanole Manitoba, where a paying membership base exceeds 165.

Market Size

A statistically valid survey of 600+ residents of the East Beaches of Lake Winnipeg was conducted in 2019. 68% of respondents suggested that they were either likely or very likely to use a quality fitness facility at Beaches Community Centre. Based on that fact, and the uptake of membership to the interim facility, it is conservatively estimated that a properly sized fitness facility would attract 120 - 150 members.

SWOT Analysis

Listed below are elements of the STRENGTHS, WEAKNESSES, OPPORTUNITIES, and THREATS for the interim fitness facility

STRENGTHS – Allows for the fitness equipment that has been and will be purchased and funded through fundraising and matching grants be fully utilized in an expanded interim facility. The expanded facility will be well equipped and well situated to provide a quality fitness experience.

WEAKNESSES – Not located on the Beaches Community Centre property. Basement and older building may provide some challenge.

OPPORTUNITIES - Further differentiation of services for BCC. Attracting new members, BCC becomes a greater activity hub. Allows for consideration of executive management sooner. (Creates specific fitness programming for all age demographics.)

THREATS – Possibility of the RM of Alexander opening a recreational centre across from Traverse Bay corner.

Interim Facility Summary

The current interim facility is housed in the Social Scene's (3 Ateah Rd) basement in two rooms that together total 425 sq ft. Modifications made to ventilation, signage, cameras and security allow for a positive and safe workout experience. A lease is in place (\$500/month) for the use of the facility until December 1st, 2024. An additional 6 month option is available if required. Fitness members are required to be fully paid and to have signed a waiver prior to use. Operations are provided by volunteer coordination regarding member orientation, cleaning, and supply purchase. All membership fees

collected are through the secure e-commerce web portal of BCC. A lead volunteer reports to the BCC board with a monthly report on the interim facility.

The marketing of the facility is donated by a seasoned marketing professional. The campaign to attract members to the interim facility has exceeded expectations. It is anticipated that once the lease (\$6,000) and start up costs are covered, the facility will generate a small profit (\$10,000 – \$12,000) for the BCC.

Overview of Fit for the Future Capital Campaign

A capital campaign was launched in 2020 to provide funding supported by matching provincial government grants to build outdoor pickleball and basketball courts, as well as provide funding for a permanent quality fitness centre at BCC. The first round of fundraising resulting in enough funds to build the outdoor courts \$393,708 (\$196,854 private funds raised and matched by the provincial government) and to purchase the fitness equipment (\$52,000) for the new fitness centre. It is important to note that the campaign has secured enough funding to spend an additional \$70,000 on equipment and renovations (\$35,000 private funds already raised to be matched by a provincial government grant.)

It was originally estimated that the design/build of the building expansion of BCC would be \$700,000. The 2 estimates that were obtained in the fall of 2023 were in excess of \$1,100,000. Another design has been presented in August of 2024 that will be additional to the previous estimates. This fact, combined with an uncertain future of the available matching government grant and donor fatigue, has pushed the build back, at least for the foreseeable future. Fundraising currently is at \$185,000 (cash and pledges) and will continue on with a longer term timeframe for the build.

Operational Considerations

The operations will continue to mimic the successful operation protocol in place for the interim facility, whereby the facility operates from 6:00am to 8:00pm daily. Members would access the facility via the East stairwell entrance.

Existing digital infrastructure in place for the interim facility on the BCC website would be used to collect all fitness revenues. All fitness information including hours, rules, fees, etc. would be posted on the BCC website.

Memberships are tracked on Google Drive with access granted to the volunteer facility manager and the volunteer administrator. Revenues and memberships are updated usually within 24 hours of receipt. All members must sign a waiver prior to being granted membership. The waivers are stored digitally in the Google Drive.

Until professional management is in place, a lead volunteer acts as the manager of the facility and deal with member questions, orientation, equipment issues and supply purchases. This is an identical model that is successfully used in Onanole Manitoba.

The facility would be designed as “self-use”, with no regular staffing or supervision. Members will have to be 16 years of age to use the facility.

Supply purchase/stocking and bi-monthly cleanings would be part of the maintenance rhythm of interim facility.

Scheduled equipment maintenance would be carried out once a year.

Governance

The volunteer facility manager, volunteer administrator and an assigned board member will govern the operations of the facility and act with fiduciary responsibility towards the community and BCC.

Security Considerations and Member Access

The security protocol currently in place would be utilized for the expanded interim fitness facility, whereby, the member is given a code to unlock a lockbox located on the outside door of the stairwell. The lockbox contains a key that unlocks the outside door. The member replaces the key and close and locks the lock box for the next member to access. Access code is changed monthly and broadcast to members at the beginning of the month. The area is monitored by video cameras and areas of EBSS that are not to be accessed by fitness members are locked and guarded by motion detectors.

Interim Fitness Centre Legal and Regulation Considerations

All member activity will be insured through the existing RM of Victoria Beach blanket policy that covers BCC for liability for member activities and events at BCC. All fitness members are required to sign an additional waiver that acknowledges that BCC cannot be held responsible for any injuries etc. during access to the fitness facility. This waiver is in place now and is modelled after the waiver in place for the successful Onanole MB facility waiver. This waiver is listed on Appendix A of this plan.

The interim fitness facility is governed by all laws and regulations set out by the provincial government specific to fitness facilities.

Interim Fitness Centre Revenue Models

Direct revenue would be derived from Fitness Facility membership dues. Dues are structured as either annual, six months, monthly, or 2 weeks.

Secondary revenue as a result of fitness memberships would be derived in the form of new BCC memberships, canteen sales, pickleball fees, and greater event and programming participation.

BCC Interim Fitness Centre Pricing Strategy

Pricing will be used as a tool to attract members with discounts being offered for longer term membership. Annual memberships will be most discounted and 2 week memberships will be least discounted. Once the expanded facility is open memberships will increase by approximately 15% to 20% to align with the upgraded offering.

Fitness Centre Financial Projections

Income Statement Projections

	Year 1	Year 2	Year 3
REVENUES*	25,000	27,500	30,000
Start Up Expenses			
Patching and Painting**	\$250		
Reinstall Securty	\$500		
Mischellaneous	\$500		
Ongoing Expenses			
Cups, Cleaning Supplies, Misc	\$800	\$800	\$800
Bi-Monthly Cleaning	\$1,200	\$1,200	\$1,200
Rent	\$14,500	\$14,500	\$14,500

Total Expenses	\$17,750	16500	16500
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Net Profit	\$7,250	\$11,000	13,500
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* Revenues are derived from the sale of fitness memberships. Current pricing is available at beachescc.ca/fitness-signup

**volunteers or donated work will cover the costs of patching and painting.

Interim Fitness Centre Marketing

A detailed marketing plan will be developed and published by a volunteer seasoned marketing professional prior to the end of 2024. The marketing will focus on new member acquisition as well as member retention, and other strategies to increase fitness facility use by utilizing existing BCC marketing infrastructure (pylon sign, interior digital display, website, eblast, newsletter and traditional signage-community boards etc. A series of campaigns will be developed and executed (including a grand opening) to continue to build membership and awareness.

All marketing activities will be donated.

Quality Considerations

A continuous quality loop will be setup with the following elements;

- An annual digital survey to the fitness members once a year as to their satisfaction with the facility.
- An digital exit survey conducted to members that do not renew their membership.
- An email capture on the BCC website that is advertised on signage at the facility asking for feedback as to how the facility can be improved. This email will be sent to the lead volunteer for review and inclusion (if warranted) in the monthly board report.
- Monthly reports delivered by the lead volunteer to the board outlining any issues / suggestions on how to improve the member experience.
- Annual reflection on competition, fitness industry and societal trends to be published by the lead volunteer to the board.

Brand Considerations

The brand for the fitness facility is already developed and is in place at the interim fitness facility as a sub-brand of the Beaches Community Centre Brand.



All marketing materials will include this branding. All use of Beaches Fitness Centre Branding will be governed by the Beaches Community Centre Brand Guidelines.

Conclusion

Fitness is a necessary societal component of wellness. The community of East Beaches deserves a quality fitness centre. The success of the interim fitness facility suggests that the community is prepared to support a fitness centre. The signing of a 3 year lease with EBSS coupled with an expanded footprint and equipment offering will provide the necessary data to allow Beaches Community Centre to make an informed decision on the future, size and location of the fitness facility.

APPENDIX A



GENERAL RULES AND WAIVER

1. Code to the lock box to access key for exterior door is issued via email on the first of the month. Do not share this code with anyone.
2. Use the code to access key in lock box on front door of EBSS
3. Unlock door. Keep door open while you are replacing key in lock box (as door will lock once closed).
4. To close lock box, enter code again.
5. Proceed directly to the fitness centre. Do not access any part of EBSS during your access to workout.
6. Leave outdoor footwear outside of the fitness facility
7. Please sign in for each workout at the entrance to the fitness facility.
8. Please turn on the switch for the exhaust fan on arrival
9. Security cameras have been installed for your safety
10. Be respectful of others and their personal space.
11. All equipment must be wiped down after use. Put away equipment after use.
12. TV or other device audio should be confined to ear bud access only. TV audio can be used only if it does not interfere with members enjoyment of the facility.
13. Minors under the age of 18 will need their own membership and their waiver cosigned by their parent/guardian. Minors under the age of 16 will need to be accompanied to the facility by the parent or guardian that has signed the waiver.

I understand that non-compliance of the rules may result in loss of membership.

I understand that there is a risk of injury associated with participating and using Beaches Interim Fitness Centre. I hereby assume full responsibility for any and all injuries, losses and damages that I incur while attending, exercising or participating in at the Beaches Interim Fitness Centre. I hereby waive all claims against Beaches Interim Fitness Centre, **ALEX ANDERSON MEMORIAL SPORTS CLUB AND LEGION HALL INC.**, East Beaches Social Scene, fitness instructors, or partners of individually or otherwise, for any and all injuries, claims or damages that I might incur.

Yes, I will abide by the rules as published and accept the waiver as written.

Signature _____ Date _____

Print Name: _____

Parent or Guardian Signature (if member is under 18) _____
Parent or Guardian assumes all responsibility for the underaged member listed above

Print Parent or Guardian Name: _____

Questions? Contact Murray Otter via text: 204 213 0907 or murrayotter@hotmail.com

Appendix B – Memorandum of Understanding with EBSS



June 4, 2024

East Beaches Social Scene,
3 Ateah Road, Victoria Beach, MB.
R0E 2C0

RE: MEMORANDUM OF UNDERSTANDING BETWEEN BEACHES COMMUNITY CENTRE and EAST BEACHES SOCIAL SCENE (PHASE 2)

ATTN: EBSS Board;

Ladies and Gentlemen,

Please accept this letter as a MEMORANDUM OF UNDERSTANDING between BEACHES COMMUNITY CENTRE (Renter) and EAST BEACHES SOCIAL SCENE (EBSS)(Vendor), at 3 Ateah Road, Victoria Beach, MB.

Whereas the Renter wishes to rent the addition space (woodwork area) adjacent to the 2 rooms in the basement of EBSS identified as the room containing the TV monitor and the immediate room adjacent. The total area of the combined rooms is approximately 1025 square feet. This area will be defined as the interim fitness facility.

Whereas the Renter will enter into a 3 year lease with the Vendor on December 1, 2024

Whereas the rent will be \$14,500 per year paid in equal monthly installments.

Whereas the lease may be renewed for two - one year options after the initial 3 year lease based on mutual agreement by both parties with 90 days written notice given by the renter prior to the end of the lease.

The renter is reminded that they are financially responsible for the entirety of all leases once they are executed.

Whereas Beaches fitness members are granted access to the North (Side) Entrance of EBSS for the purpose of accessing the fitness facility. The Renter will place a small sign on the exterior of the building identifying the entrance to the fitness facility.

Whereas the Renter will be responsible to install security access on the (side) access door using a lock box device.

As illustrated in Schedule "A", the vendor will be responsible to remove the existing closet area in the East room of the original lease, as well as the doorway, walls and partial west wall of the East room up to the pillar that is closest to the back (North) wall of the West room of the space that compiled the original lease. The vendor will remove all equipment, tables, cabinets etc. from the woodworking room, leaving the area barren and clean, up to existing drywall.

The renter will be required to perform minor cosmetic work (patch and sand) as well as paint the woodworking area. The renter will install fitness flooring in the woodwork area once painting has taken place.

Coordination of work for security, removal of walls, woodwork equipment, patching, painting, floor installation, etc. will be coordinated by two designated foremen appointed one each by the renter and the vendor.

At the termination of the Phase 2 lease, the renter reserves the right to remove the fitness flooring from entire fitness area.

Renter suggests operating hours to be Monday to Sunday 6:00am to 9:00pm

Whereas the Renter will be responsible for all matters relating to the operation of the fitness facility including equipment maintenance, cleaning of the fitness area and the entrance area inside the side door, the stairs and stairwell area. The renter will continue to use the 2 video cameras that will be wired into the existing security system of EBSS. The renter will provide a water dispenser for use by fitness members during the life of the lease.

All security devices relating to ingress and egress of members from the original lease will be removed by the Renter from the front (East) doors, and will be repurposed to offer the same security for the North (side) entrance. All doors will be returned to their original state at the end of the lease.

Both parties recognize and acknowledge that this letter is binding only if and when the Beaches membership approves this memorandum of understanding by vote. This

MEMORANDUM OF UNDERSTANDING is considered Null and Void if not executed by September 30, 2024.

I agree to the above terms and conditions;

Authorized representative of East Beaches Social Scene

Date:_____

Authorized representative Beaches Community Centre

Date:_____