



# Ashbridge's Bay Yacht Club

**At Home on the Water  
In Toronto**

**Vice-Commodore Planning  
Report – January 28, 2019**



# Vision & Values

## ABYC VISION

ABYC is maintained in a park-like setting, providing year round sailing and social activities for adults and children in an environment conducive to the development of life-long friendships.

## WHAT WE VALUE

- Individual contribution
- Sailing in all its forms
- Diversity of membership
- Respect and honour for us all
- Friendliness and
- Pride of ownership

# Strategic Priorities

## **Membership Turnaround**

We have to stem the decline in Senior Membership and turn the trend around, demographic trends are not in our favour and our price/value equation to new members is challenging.

## **Affordable Seawalls**

We have to finish our harbour wall renewal in a way that is more affordable than spending \$300,000 + per year on seawalls. Our fees are already at the high end driven in part by our seawall capital assessments.

## **Simplify Foodservices**

We have to simplify our foodservice operation making sure we focus on what supports our sailing and social activities; a bar and our major events. We must stop incurring losses that drain our resources.

## **Restore our Infrastructure and Amenities**

ABYC has an aging estate, in the harbour and on land that will take sustained effort to renew. Priority projects will be those that ensure the success of all of our strategic priorities.

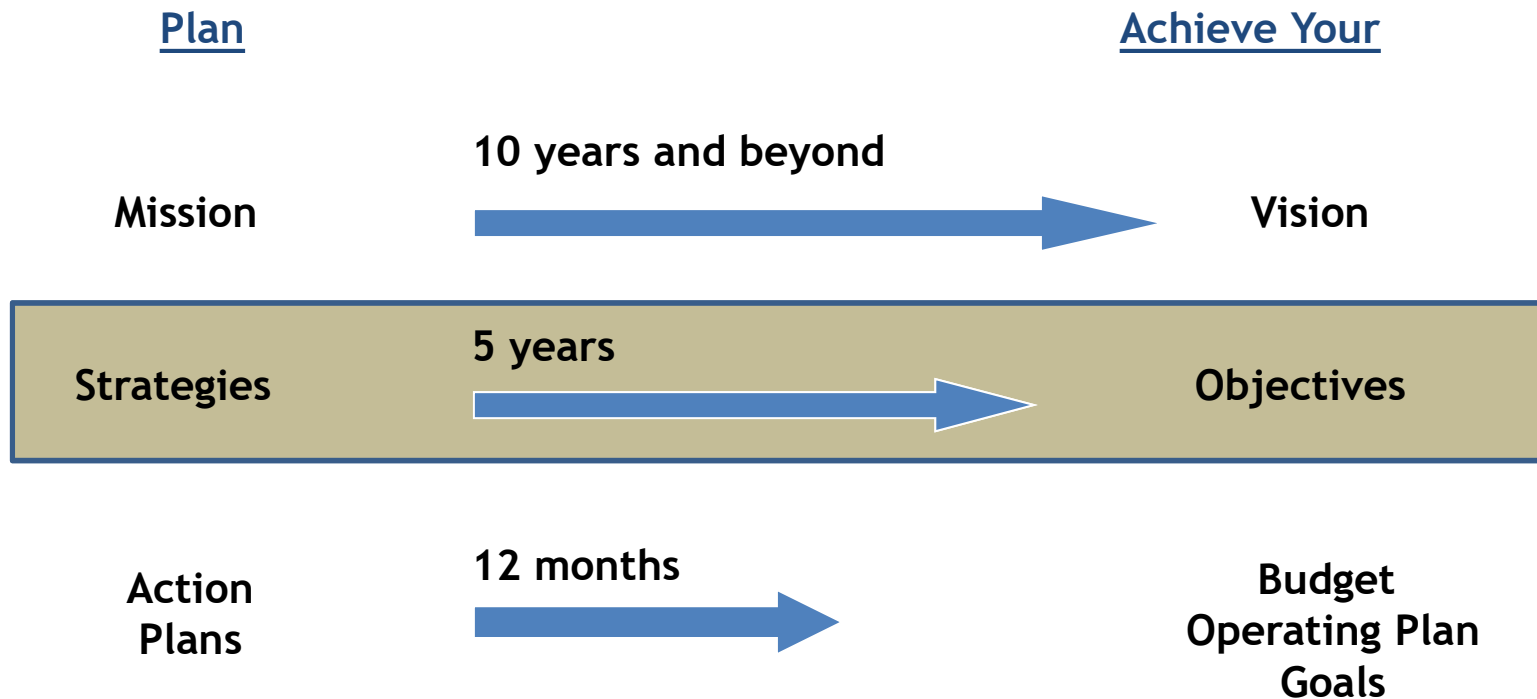
**Questions?**

ABYC PLANNING  
LONG TERM PLAN 2018-2025

## Long Term Strategic Plan

Long Term Strategic Plans are very different than Budgets and Operating Plans. Strategic Plans are done to make the most important choices about what ABYC is going to do in the future to address its biggest challenges.

Budgets and Operating Plans on the other hand lay out how we are going to run the club for the coming year.



# Vision and Brand Position

## VISION STATEMENT

ABYC is maintained in a park-like setting, providing year round sailing and social activities for adults and children in an environment conducive to the development of life-long friendships.

## Brand Positioning

Why ABYC is different than other Sailing and Yacht Clubs

“AT HOME ON THE WATER BY THE BEACH IN TORONTO”

ABYC, a vibrant sailing and social community located in an urban oasis just east of, and minutes away from downtown, easily accessible by car or TTC.

# Values

## WHAT WE VALUE

Our ABYC values state how we do things, how we treat each other and how we interact with our neighbors and guests

- Individual contribution
- Sailing in all its forms
- Diversity of membership
- Respect and honour for us all
- Friendliness and
- Pride of ownership



# **ABYC Core Activity**

Our 2011 Vision Project identified five key themes around which aspirational objectives were developed. The five are captured here along with the Operations side of our club that is so much a part of what we do.

## **ABYC Core Programs**

The general consensus from the majority of ABYC members was that we should continue to focus on the retention and the development of the ABYC core programs: Racing, Cruising & Sailing School.

## **ABYC Facilities**

There was a consensus among club members that two of the primary assets of ABYC that make it attractive to existing and new members are location/accessibility and setting/ the beautiful surroundings & green park space.

The maintaining of the basic infrastructure and Club facilities is a core activity driven by the need to anticipate and prioritize infrastructure projects that will maintain the club in a Well Kept / State of Good Repair.

# ABYC Core Activity

## ABYC Operations

A core activity not identified in the Vision Project is the backbone of the club; our 1) Marine services, Haulout/launch & Winter storage, 2) Beverage service, Foodservice & Entertainment 3) Coordinating volunteers, and 4) Maintaining our Membership

## ABYC Culture:

ABYC has a club culture, and fostering that culture is a core activity. In general the membership has a great sense of pride in the Club, which will continue if we encourage and nurture the strong social fabric and values that are fundamental to our success as a community club. ABYC is a self help club, where members contribute to the club through their volunteer efforts.

# **ABYC Core Activity**

## **Communications:**

Effective communication is a core activity. In general ABYC has a number of effective communications tools that are used for both internal and external communications including S2S and our website. Communications areas of focus include: Internal Membership Engagement & Feedback, External Marketing & Promotion, Public Relations, Community Outreach, Local Government Relations.

## **Financial Sustainability**

The membership of ABYC has indicated that it is important to remain affordable and be market competitive while continuing to sustain, and where possible grow, develop and enhance our Activities and Facilities. Maintaining a sustainable financial position is a core activity needed to ensure the ability of the club to meet its objectives.

ABYC PLANNING  
LONG TERM PLAN 2018-2025  
ENVIRONMENT

# Environment

There are only 1.2 MM active sailors in the USA based on data from Sailing World. There are likely another 100- 120k of them in Canada. (Canadian Population is 10% of US). The market for our sport is not widespread and it is not growing.

## Sailing Participation Data

- 3,924,000 sailing participants in the US.  
(sailed 1+ times per year)
- 2,699,000 “casual” sailing participants  
(sailed 1-7 times per year)
- 1,225,000 “core” sailing participants  
(sailed 8+ times per year)

# Environment

Few new boats are being built. The boat building business has crashed and crashed hard. 646 boats over 20 feet long were manufactured in the USA in 2015. Another 350 were imported for a total of 1,000 new sailboats sold in all of North America in 2015.

Less than 100 of those boats likely made their way to Canada, the majority of which were 35 feet and under.



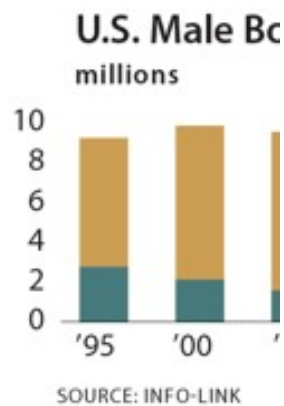
# Environment

Young people are not buying boats the way their parents did. Strained economics appear to be the main driver of this behaviour

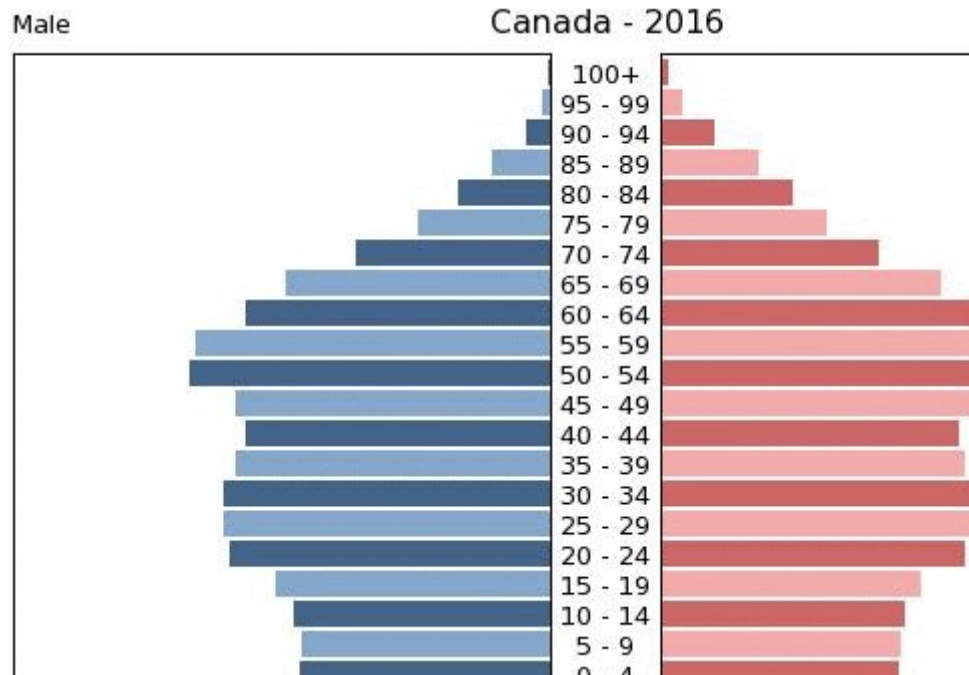
The core of Canada's baby boom is now 50-59 years old. The number of people "ageing out" of sailing is going to grow every year over the next decade.

ng than ever! It's not just an "old boys" g  
lesse Matthewman, recently told us.

It's not clear. Were  
ing boaters today  
years ago? Or  
xperiencing some  
al boating wave?  
terviewed  
ts as well as  
ers across North  
I found was at  
out ultimately  
ne of my first  
was with Jack  
director at Info-  
research firm that



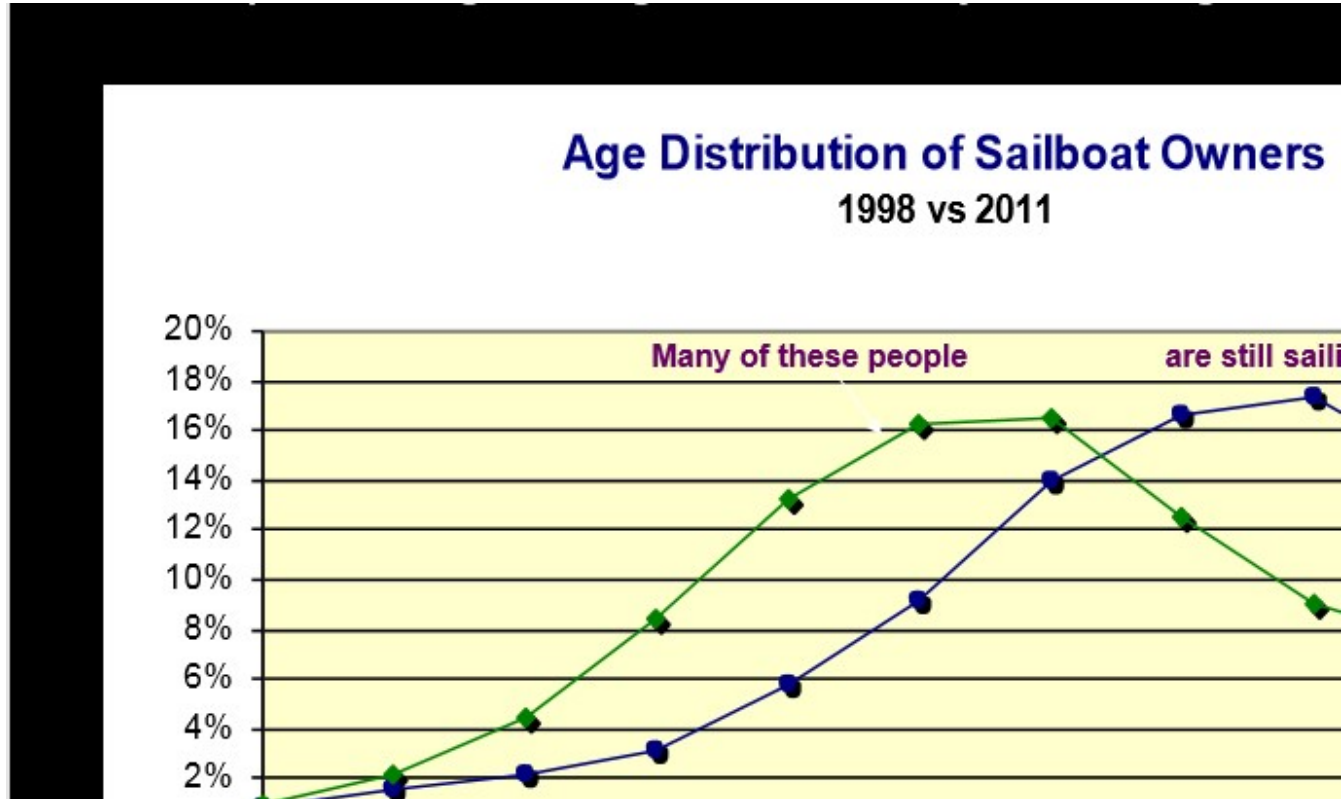
**Boat Owners**  
Percentage of  
male U.S. popu



## Sailing – Demographics are a Challenge

The average age of a US sailboat owner is 55 years old. The trend has been shifting older as baby boomers age without being replaced in the same number by younger cohorts.

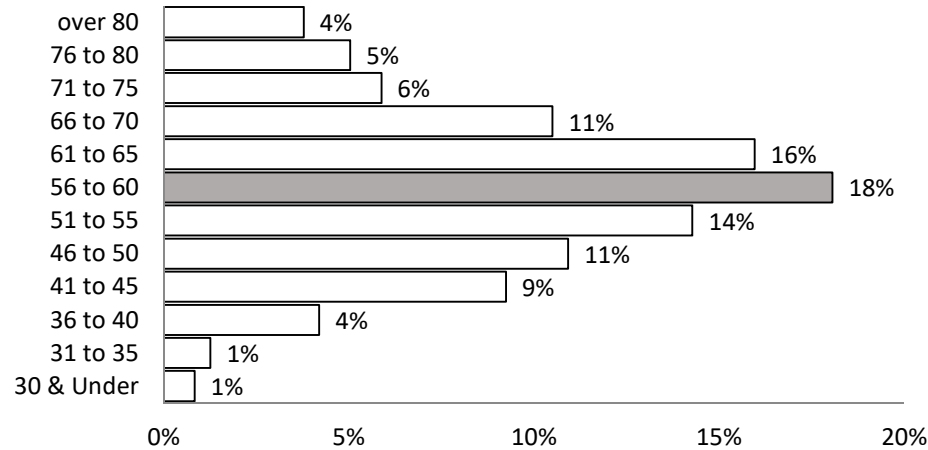
Canada is not likely that much different.





# ABYC Members Profile

## Senior/Life Members with Boats

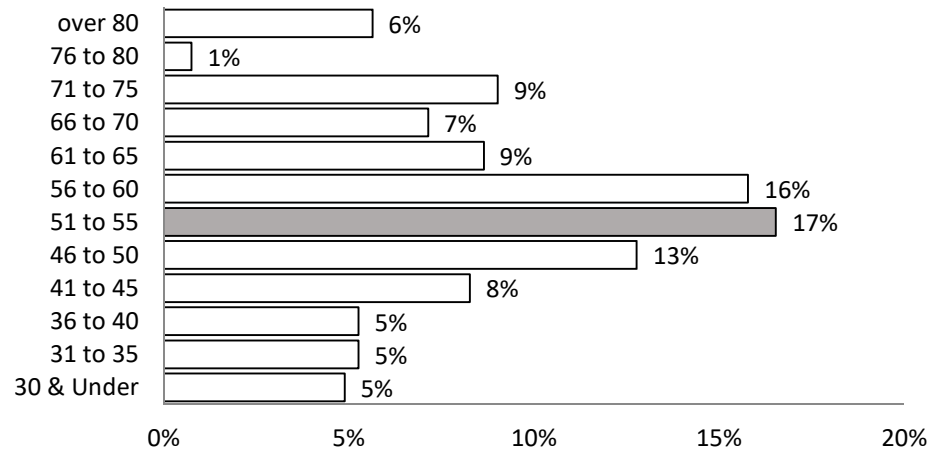


ABYC tracks the overall age distribution trend for sailing.

The average Senior member with a boat is 57 years old whereas the average member without a boat is 53

Membership begins in earnest with the 41-45 year olds

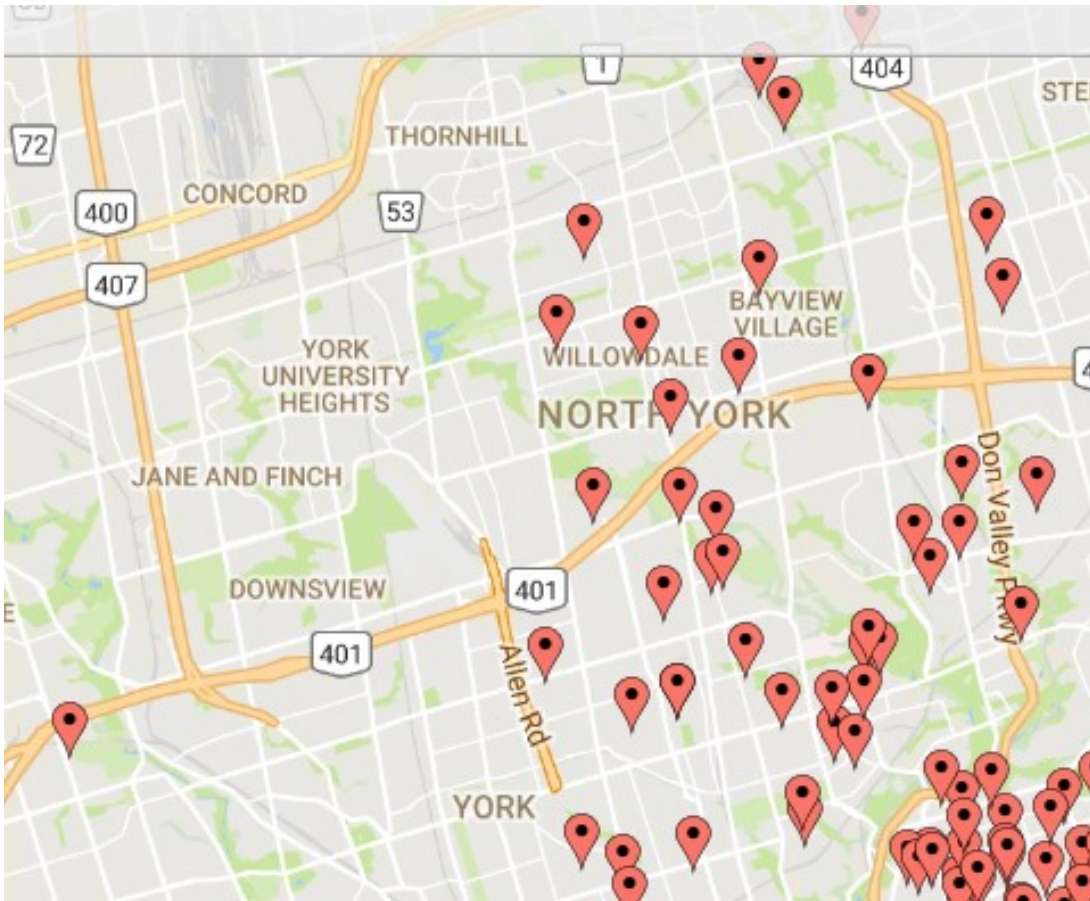
## Senior, Life & Associates no Boat



Membership declines with age dropping dramatically after 70 years of age

The oldest baby boomer will be 72 this year

## ABYC – Convenience Matters



A large number of ABYC Senior Members live within 10 minutes of the club.

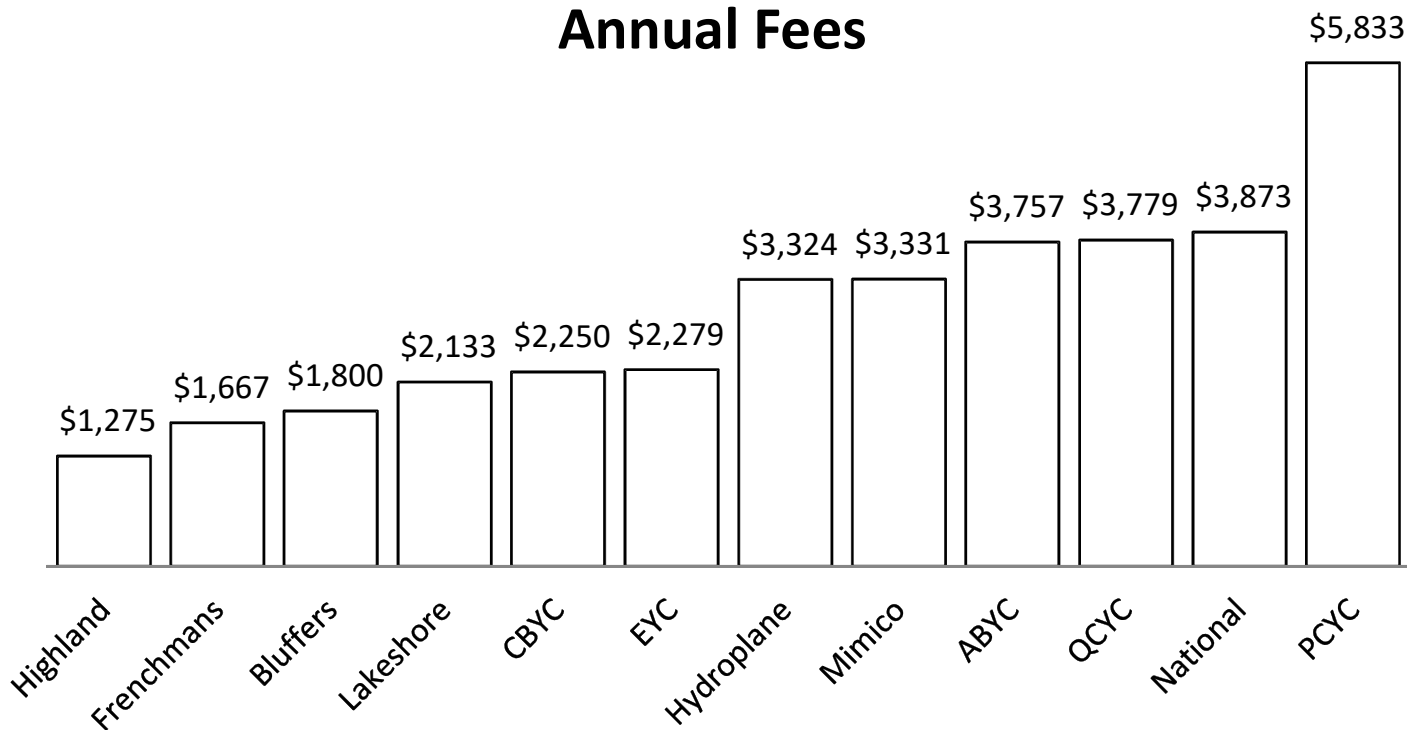
107 of 255 members (as at September 2017) lived in Toronto Danforth Beaches East York

A large number of Senior members come to us from further away.

Convenience matters, but we are more than “just close by”

# We are Now One of the More Expensive Clubs on the Lake

Our Fees have grown at an average 4% per year since 2009, a rate that is more than double the rate of inflation. Our capital assessments for seawalls is a significant part of the growth.



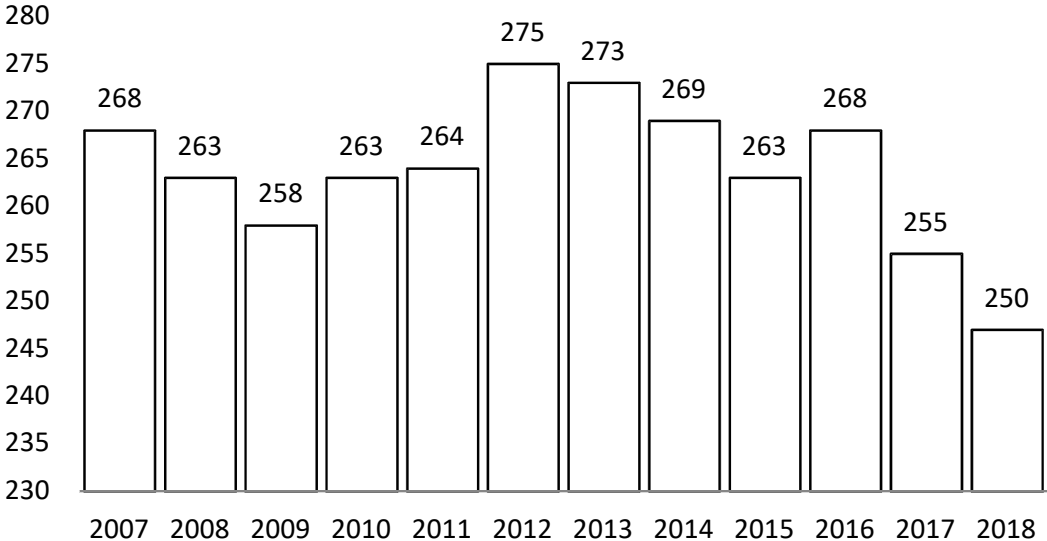
# Our Membership Trend is on a Slow and Steady Decline

We never got the full “38 new member bump” from adding our new floating green dock extension.

We have more capacity than we used to have, and fewer members. In fact we are experiencing a slow sustained decline over time.

## Total Senior Members

*September Each Year*



## ABYC Fleet Stats

The average boat at ABYC measures approximately 32 feet LOA and 10 feet in width. The docks that we have available for new members tend to be V Docks as existing members have first call on our Finger Docks unless the new member boat is so large it does not fit in a V Dock.

The largest number of boats with a new owner in the last 5 years was in the smaller sizes reflecting the inventory of slips we have available to sell. Despite this the “leaving rate” of smaller boats appears to be higher than the “incoming rate” as the majority of open slips are small boat VDocks

	<u>Boats</u>		<u>Tenure</u>		<u>Boats Under 5 Years</u>	
24 and Under	14	6%	8	6	10%	
25-29	81	32%	10	29	49%	
30-34	75	30%	15	14	24%	
35-39	67	27%	17	7	12%	
40 & Up	15	6%	15	3	5%	
Total	<u>252</u>	100%	<u>13</u>	<u>59</u>	100%	

*Note - we have since declined to 250 Senior members as at Sept 2018 (before resignations for 2019)*

# ABYC Fleet Stats

The fleet has declined to 235 Members on docks and 5 Coop boats. We also have members in Dry sail and the hard

The majority of open docks are V-Docks, with most of these being able to take boats that are 30 feet LOA and under or shallow draft motor boats.

	<b>Members</b>	<b>Average Measured LOA</b>
V-Docks with 15 Amps	100	29.5
Fingers with 15 Amps	69	32.6
Fingers with 30 Amps	66	37.0
Total	235	32.5

# Our Docks Inventory is Mixed

At ABYC we have

- 126 V-Docks 108 Fixed Finger Docks and 38 Floating Finger Docks
- Only 66 of our docks have a 30 Ampere power supply
- Docks in the corner of red and white dock are very shallow
- 6 of our deep water full finger docks are reserved for visitors
- Red dock, with 84 docks, is most in need of repair and replacement



# Seawalls Require a Significant Investment

Our commitment to replacing our end of life seawalls totals over \$1.7 MM

- To date we have invested \$750,000 in replacing our seawalls .
- Mast Crane wall will require an additional \$300,000 and will be completed this winter
- An additional \$675,000 is expected to complete Blue Wall, and the Coatsworth Cut over the next ten years if we stick with a steel seawall approach in all cases.

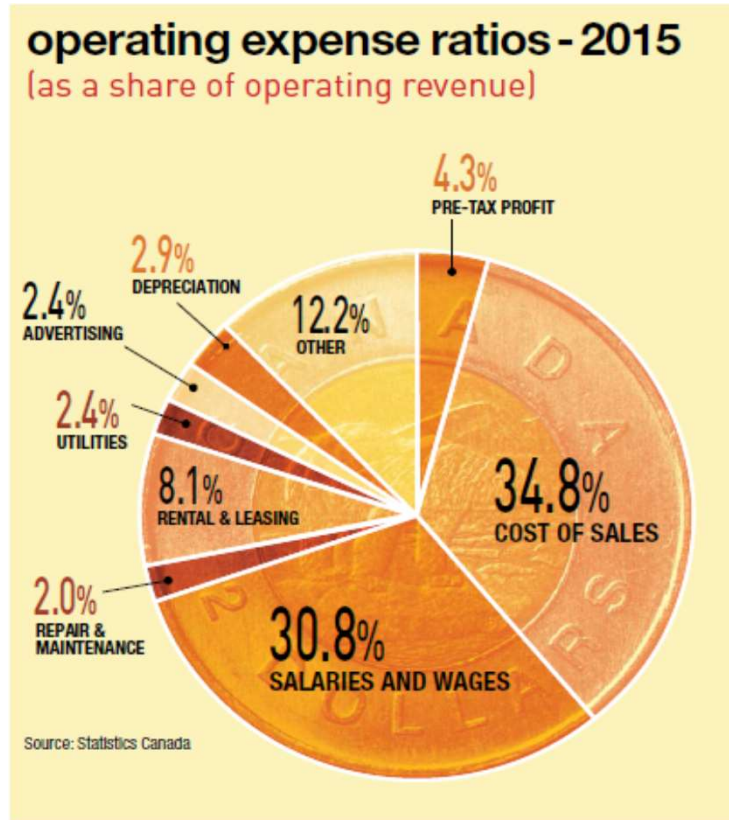
The funding for this work has come from

- A Capital assessment
- Borrowings primarily in the form of 4.5% Member Debentures

Some clubs require seawall work, it is a matter of time when they have to start, but some clubs do not. Our seawalls need to be replaced, however, the cost puts us at a price disadvantage to many clubs who do not have the same cost to bear.



# Average Restaurant Benchmarks



An average restaurant makes decent money. There is ample margin in the average restaurant model to break even before rent, property tax and depreciation on bar & restaurant assets

- An average full service restaurant sells about \$660,000 which is a bit higher than our projected sales of \$640,000. With average pretax profit at 4.3% of sales, and depreciation at 2.9%, the average cash flow is around 7% of sales.
- Full service is a bit lower than average at around 6%. The average restaurant also pays rent equal to around 8% of sales for a total cash flow before rent of 14% that or there about for a Canadian full service restaurant.

# Our Foodservice and Entertainment is a Drain on our Resources

- We spend about \$25,000 a year on entertainment without charging any fees to our members for pay for use; we see this as an investment in promoting the social aspect of our club.
- We spend dramatically more on our F&B, with an average loss of \$80,000 per year, (including income from fines) after members already pay for the food and beverages they receive.
- We compel members to use the service with our minimum billings, yet we still fine some of our members over \$10,000 a year when they do not come

<b>F&amp;B Results</b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>Total</u></b>
Total Revenues	\$550,269	\$509,994	\$513,202	\$490,150	\$593,731	\$593,798	\$613,965	\$3,865,109
Total Expenses Excl Rent & Property Tax	\$583,283	\$578,321	\$583,208	\$568,218	\$669,538	\$669,748	\$770,621	\$4,422,937
Net Loss	\$ (33,014)	\$ (68,327)	\$ (70,006)	\$ (78,068)	\$ (75,807)	\$ (75,950)	\$ (156,656)	\$ (557,828)
	-6%	-13%	-14%	-16%	-13%	-13%	-26%	-14%

## Property Lease

As a community club, we lease our 7 acre property and our 6 acre waterlot from the City /TRCA. Our relationship with our landlord has historically been an “evergreen contract” that is put to paper in our lease.

- The City deals with all of the boat clubs on city property at one time using one consistent form of lease
- We pay rent at a reasonable rate – approximately \$50,000 per year
- We pay municipal residential rate property taxes. Our MPAC assessments have been under appeal since 2009. We have accepted a settlement offer that will take us through 2020 at a reasonable level.
- Our lease requires the club maintain its facilities and the property in good condition including our seawalls
- Our current lease runs to 2025; there is no reason to believe our lease will not be renewed on reasonable terms on an ongoing basis.

# Operating Assessment

For most of the core activities of any club we perform well. We do have a few weaknesses that really matter; our docks and the losses on our food operations.

	<u>Strength</u>	<u>Adequate</u>	<u>Weakness</u>
<b>Table Stakes –</b> Things that all clubs must have	ABYC Harbour Vehicle Parking Visitor Docks	Clubhouse Grounds Haul-out & Launch Mast Crane & Storage Pump-out	V-Docks Waterside Power Ageing Estate
<b>Wants -</b> Where We Choose to Invest Time and Effort	Race Management Cruising Program Junior Sailing School Junior Racing Adult Sailing School	Coop Program Bar Operations Entertainment Gas Dock	Food Operations Dry Sail One Design Fleets

# Strengths Weaknesses Opportunities Threats

<p><b>Strengths</b> Toronto Beaches Location Members' Boats as Weekend Cottages Family Friendly Club and Location ABYC Work Party Volunteerism Race, Cruising &amp; Sailing School Operations</p>	<p><b>Weaknesses</b> Seawall Impact on Annual Capital Fees Foodservice &amp; Entertainment Losses 130+ VDocks = Inferior Offering Ageing Estate of infrastructure /Amenities Cost to Replace Red Dock - &amp; Seawalls Operating Costs &amp; Fees at the High End</p>
<p><b>Opportunities</b> Few GTA clubs have room for large boats Ride Sharing Membership Models</p>	<p><b>Threats</b> Sustained Membership Decline Senior Members Ageing out of Sailing Soft Demand From Millennials</p>

## **Critical Success Factors/ Strategic Priorities**

### **Membership Turnaround**

We have to stem the decline in Senior Membership and turn the trend around, demographic trends are not in our favour and our price/value equation to new members is challenging.

### **Affordable Seawalls**

We have to finish our harbour wall renewal in a way that is more affordable than spending \$300,000 + per year on seawalls. Our fees are already at the high end driven in part by our seawall capital assessments.

### **Simplify Foodservices**

We have to simplify our foodservice operation making sure we focus on what supports our sailing and social activities; a bar and our major events. We must stop incurring losses that drain our resources.

### **Restore our Infrastructure and Amenities**

ABYC has an aging estate, in the harbour and on land that will take sustained effort to renew. Priority projects will be those that ensure the success of all of our strategic priorities.

ABYC PLANNING  
LONG TERM PLAN OBJECTIVES  
2018-2025

## Membership Turnaround

The challenge for our Membership Committee is to stem the long term decline in membership in the face of demographic trends that put additional pressure on membership retention and new member recruitment.

Key Strategies focused on Senior Membership include:

- Leverage and promote to our advantages 1) our Toronto Beaches Location and 2) building on our strength with families
- Make significant investments in a staged replacement of our oldest docks with full finger (floating) docks
- Freshen/Renovate our tired/neglected clubhouse space and grounds - restoring ABYC as an inviting place to be
- Move focus to proactively seeking out new members including promotional offers to drive trial & new membership
- Drive membership through other channels; 1) associate memberships targeted to local residents & sailing school parents, 2) coop sailing and fractional ownership models, and 3) support one-design sailing



## Affordable Seawalls

The challenge for our Marine Committees is to find a way to renew our seawalls that does not use all of the clubs resources for this one project. By the end of this winter we will have spent over \$1 MM on Seawalls. Seawalls are very important, but they are not the only thing we need to do to achieve our goals.

Key strategies include staging the remaining Seawall work to get other very important projects done:

- Finish Mast Crane Seawall in 2018/2019 then take at least two years (if not four) to invest in our docks to make sure we can turn our membership around.
- Re-design the blue wall renovation using “rocks based” solutions, saving significant funds that can be deployed to building floating docks
- Let the wall in the Coatsworth sailing school basin slowly and safely collapse into the basin inside our waterlot line.
- Defer any further work on the Coatsworth side of the club until our lease is renewed and we know the lease arrangements going forward.

## Foodservice Strategy

The challenge for our foodservice committee is to stop the drain on the club's resources from losses in our foodservice operation. ABYC is a Yacht Club; food preparation and service is an adjunct service that ABYC members both want and enjoy. It is not, however, as important as some of our core marine services and should attract a level of Board, Management, Volunteer and Financial resources consistent with its importance.

Key strategies include;

- Focus ABYC efforts on the “Bar as the Star” with ABYC foodservices focused on supporting our major events, weekends in season, and race nights. Improve food quality and value for money while expanding variety creating “food news” to lessen menu fatigue.
- Leverage success and lessons learned from 2018's financial turnaround (from direct cost basis loss of (\$150,000) in 2017 to a direct cost break even in 2018). Explore options to create less risk, cementing core foodservice capabilities and competence needed reducing its draw on our Board, Management and Volunteer resources
- Simplify operations including considering a “facilities only rental model for weddings and other third party events. Maintain ABYC bar operations in the off-season, and scale back off-season food operations and hours where significant financial losses tend to occur.

## Infrastructure and Amenities Renewal

The challenge for our Harbour, Facilities and Grounds committees is our aging estate. The majority of our Docks and Power are decades old and many are substandard. Our buildings date to 1980 or earlier. Renewal of Assets and eliminating deferred maintenance will ensure we are able to execute our other strategic priorities, particularly stemming membership decline.

### Key Strategies Include:

- Identify and prioritize deferred maintenance and replacement capital projects that have a direct impact on membership retention and attracting new members.
- Sustain efforts until our key “Table Stakes” weaknesses are dealt with. Success is when club facilities meet an acceptable standards that can be sustained over the long term.
- Leverage member volunteers turning to contracted services when the total cost in both dollars & member volunteer effort is significantly more or when the quality of end result cannot effectively be achieved in-house.

## Long Term Capital Plan – Revised Plan to be Revised Again as We Learn More

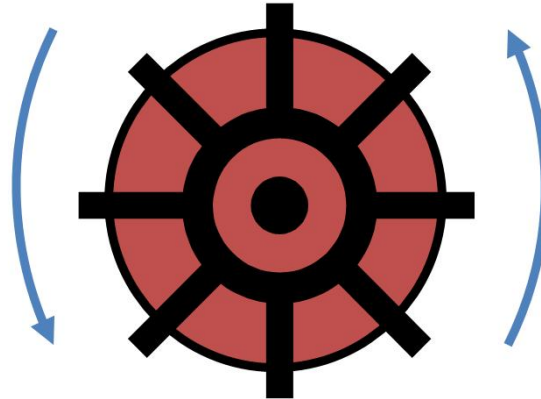
Each year the club generates cash flow equal to the amortization of assets that are recorded in the books of the club. In addition, the club takes on major projects that are funded from the club’s capital assessment and new member initiation fees.

Seawall projects will have used over \$1 MM in club resources by launch 2019. ABYC’s 2019/2020 capital spending will focus on renovating our clubhouse, adding new finger docks along white wall and a knockdown rebuild of the outer half of red dock.

Alternatives to expand the harbour for new floating docks are being explored to renew blue dock in 2021/2022 without doing a new \$320k+ seawall. Other major capital needs include haul-out, casa ballman & renewing the exterior of the clubhouse. Seawall work along Coatsworth Cut will be deferred until 2025 when ABYC has a new lease in place.

ABYC Long Term Capital Plan									
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Renovate Clubhouse	Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Major Investment	Normal Capex With Major Investment
White Wall in Front of Club	Drysail and Gas Dock Wall	Fall 2018 Mast Crane Wall	New Docks for White Wall	Half Red Dock Floating 30Amp	Blue wall floating docks	Blue wall floating docks	TBD	TBD	New Lease Coatsworth Wall

## Long Term Volunteer Resource Plan – ABYC is Well Prepared and Capable



The whole club will not be on board on day one with any particular direction no matter what strategies are chosen. If the strategy is right and the leadership is right, then the results will be achieved. It is up to each Board to do its best to plan for the long term future of the club.

Volunteers are a key resource in any ABYC plan. ABYC has a large group of active volunteers who year after year have proven able to take on the types of challenges laid out in this plan.

Leverage and momentum are built more rapidly when a critical mass of players are mobilized across the club. It is about being effective and getting results and there is a high level of confidence that our objectives will be achieved.

ABYC PLANNING  
LONG TERM PLAN 2018-2025  
FINANCIALS

## Income Statement and Balance Sheet

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<b>Budget 2019</b>	<b>Plan 2020</b>	<b>Plan 2021</b>	<b>Plan 2022</b>	<b>Plan 2023</b>	<b>Plan 2024</b>
Senior Members Sep 30 <i>(excludes Life Members)</i>	269	263	268	255	250	250	254	258	262	265	265
Revenue Growth	5%	3%	10%	-1%	-1%	0%	4%	4%	4%	4%	4%
Revenue	1,824	1,878	2,070	2,050	2,024	2,022	2,103	2,187	2,274	2,365	2,460
Expenses	1,665	1,518	1,798	1,868	1,804	1,650	1,741	1,812	1,886	1,965	2,060
Amortization	95	93	119	145	156	165	174	183	192	200	200
Net Surplus	64	267	153	37	235	207	188	192	196	200	200
<i>(plan surplus = assessment + initiation)</i>											
Net Surplus	64	267	153	37	235	207	188	192	196	200	200
Add back Amortization	95	93	119	145	161	165	174	183	192	200	200
Working Capital	(1)	(10)	13	(34)	-	-	-	-	-	-	-
Loans & Other Financing	(16)	3	(44)	146	169	-	60	-	-	(100)	(100)
Capital Expenditure	(76)	(244)	(548)	(413)	(224)	(298)	(470)	(325)	(330)	(335)	(340)
Cash Flow	66	109	(307)	(119)	341	74	(48)	50	58	(35)	(40)
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<b>Plan 2019</b>	<b>Plan 2020</b>	<b>Plan 2021</b>	<b>Plan 2022</b>	<b>Plan 2023</b>	<b>Plan 2024</b>
Working Capital	(4)	8	(6)	27	27	27	27	27	27	27	27
Net Fixed Assets	775	925	1355	1623	1,686	1,819	2,115	2,257	2,395	2,530	2,670
Net Assets	771	933	1,349	1,650	1,713	1,846	2,142	2,284	2,422	2,557	2,697
Cash	(567)	(677)	(370)	(252)	(593)	(667)	(619)	(669)	(727)	(692)	(652)
Deferred Capital Donation	83	87	79	79	74	71	68	65	62	59	56
Other	-	-	-	-	4	7	-	-	-	-	-
Loans	161	161	125	271	440	440	500	500	500	400	300
Invested in Capital Assets	541	688	1160	1272	1,174	1,311	1,547	1,689	1,827	2,062	2,302
Reserves	553	674	355	280	614	684	646	699	760	728	691
Total Financing	771	933	1,349	1,650	1,713	1,846	2,142	2,284	2,422	2,557	2,697