



## The Time is Now!

### Recreational Trails Coalition Ontario: Business Plan & Strategy

November 2018



With the support of the Government of Canada  
through the Federal Economic Development  
Agency for Southern Ontario.



**Funding provided by the Government  
of Ontario**





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## Acknowledgement of Sector Partners

The following organizations have been integral to the formation of this business plan and its preceding projects (in alphabetical order):

**ATV Ontario Tourism  
Initiatives Alliance**



**Canadian Off-  
Highway Vehicle  
Distributors Council**



**Eastern Ontario Trails  
Alliance**



**Ontario Federation of  
All-Terrain Vehicle  
Clubs**



**Ontario Federation of  
4 Wheel Drive  
Recreationists**



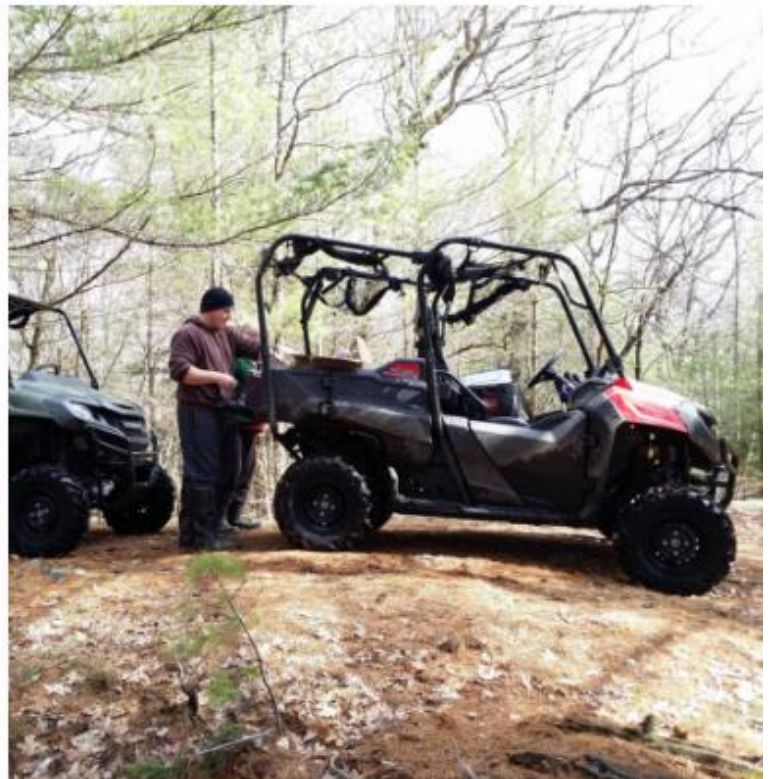
**Ontario Federation of  
Trail Riders**



**Park to Park Trail  
Association**



In addition to the above, advice and contributions were also provided by Ontario Federation of Snowmobile Clubs, Haliburton ATV Association, and Kawartha ATV Association.





## Executive Summary

Off-highway motorised sports in Ontario contribute \$211 million in GDP spending in the province, including the creation of over 9,000 jobs and \$27 million in taxes to different levels of government; plus, an additional \$5.6 million in tourism-related spending.

This Business Plan and Strategy sets the parameters for an incorporated, non-profit organization to represent a collective voice for off-highway motorized vehicle advocacy, economic development, job creation and tourism, safety, and environmental preservation aspirations of its members for the betterment and sustainability of the sector. Our organization, Recreational Trails Coalition Ontario, represents a formal collective respected and deeply involved organizations that have been collaborating since 2010 toward a shared vision for the off-highway vehicle tourism and recreational trails in Ontario.

Our mission is to work respectfully and dutifully for our members and communities to enhance the economic impact of the off-highway vehicle sector in Ontario through the coordination of off-highway trails marketing, advocacy, asset maintenance, environmental stewardship, and user safety.

Our vision is to grow a recognized, coordinated, and sustainable off-highway vehicle sector in Ontario.

We will accomplish this via our guiding principles:

- **Principle #1:** Ensure funds raised from a specific discipline are put to work for the benefit of that discipline to the greatest extent possible.
- **Principle #2:** Ensure access to public land is sustained and private land owners are respected for their property and wellbeing.
- **Principle #3:** Promote shared-use trails access to as many stakeholders as possible.
- **Principle #4:** Maximize the potential for improving tourism and economic development derived through off-highway motor sports.
- **Principle #5:** Foster partnerships to promote safe, responsible power sport participation and care for the outdoors.

Our financial plan has determined that Recreational Trails Coalition Ontario should be an advocate for a provincially administered **legislated permit** system that will both compel all off-road vehicle users to register their vehicles prior to use on any trail or public land, and which ensures that revenues generated from users are fed back into trail product maintenance, infrastructure improvements, safety and environmental stewardship enhancements, operations, and for the promotion and marketing of Ontario's off-road vehicle trails as a tourism asset and driver of economic growth and job creation. This model can produce economic sustainability and a surplus of between \$1.3 and \$2.5 million to be channeled back into projects and programming by the third year of operating the legislated permit system.

In the interim period it is recommended that the partners and board of directors come to an agreement on a **universal access pass** model that can be supported and championed by all partners. The universal access pass is projected to produce surpluses of between \$700 and \$2,000.

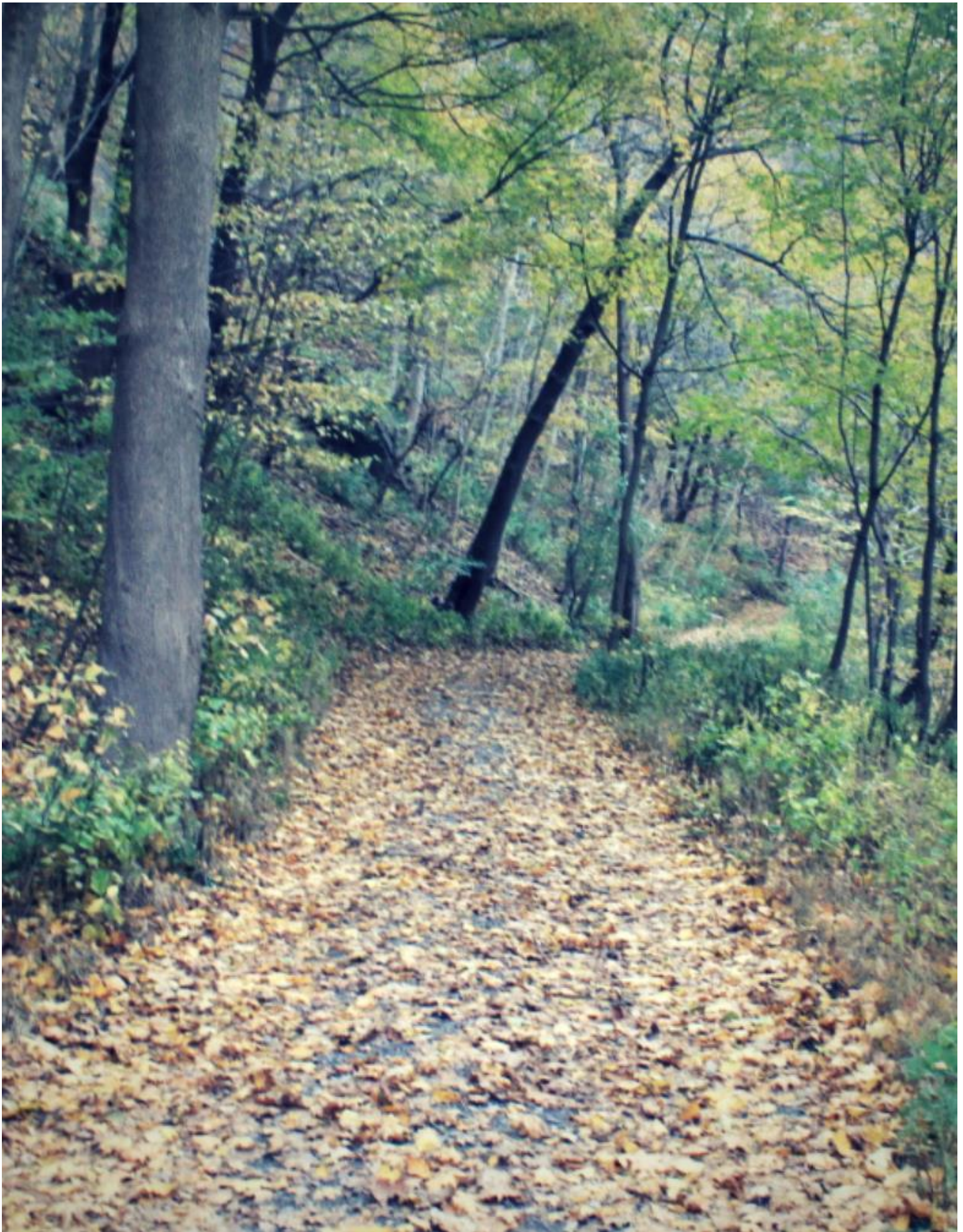


Our Strategy is built on a foundation of shared aspirations that interact in various ways to form our strategic objectives. These strategic objectives underscore our five-year strategy and its goals, plus an additional set of goals specifically dedicated to governance:

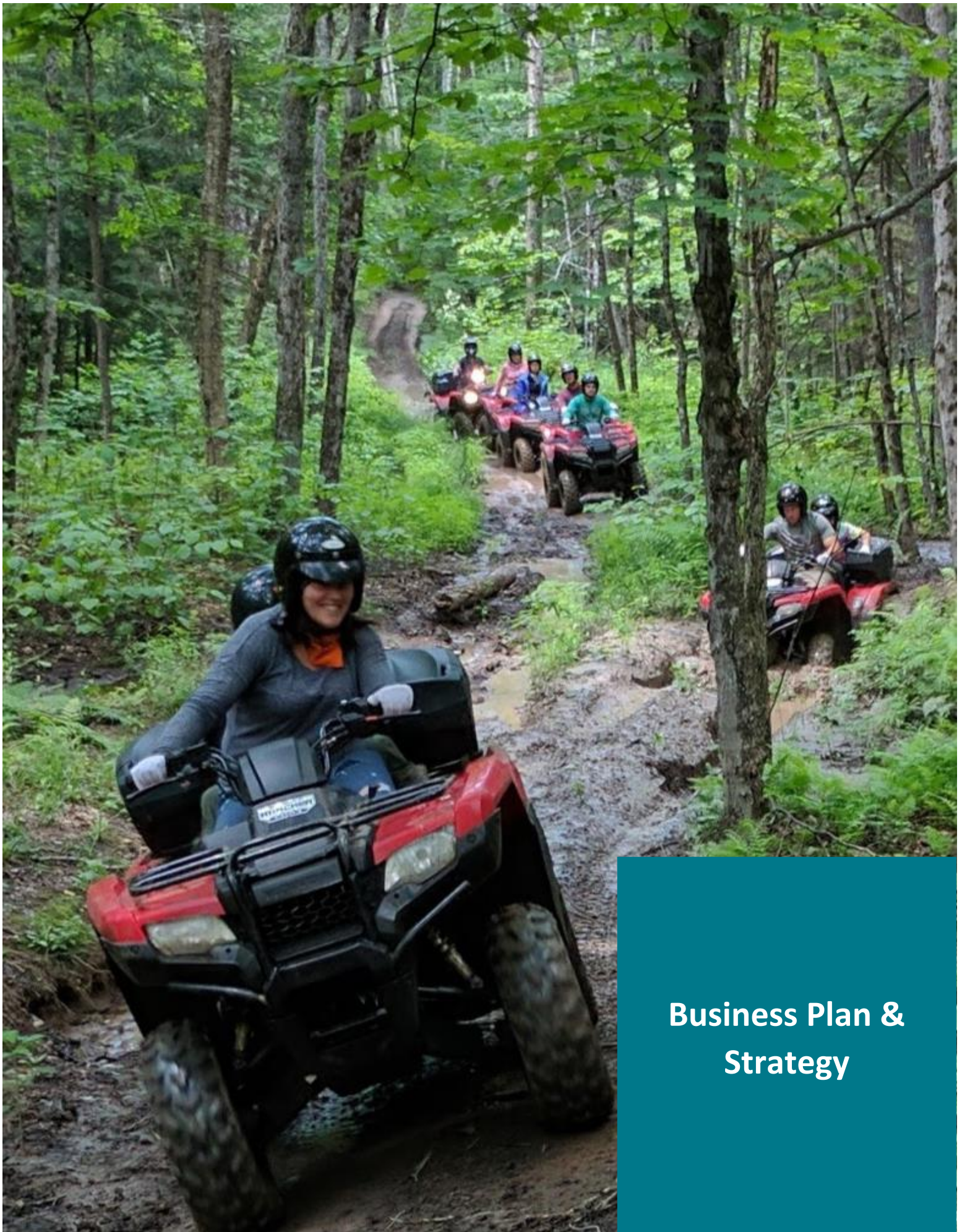
#### Recreational Trails Coalition Ontario Strategic Objectives and Corresponding Goals

Strategic Objective	Goals
Governance	Goal 1: Achieving Incorporation and Board Creation
	Goal 2: Organizing Sub-Committees and the Advisory Committee
	Goal 3: Coordinating Preliminary Staffing
	Goal 4: Implementing Oversight Mechanisms
	Goal 5: Developing Key Governance Protocols
	Goal 6: Develop and launch an official Motor Sport Ontario brand (e.g. crisis management, branding and communications, marketing strategy)
Objective #1: Advocating for a Better Future	Goal 1: Register the corporation with the Lobbyists Registry
	Goal 2: Advocate for a Legislated Permit Model
	Goal 3: Advocate for sustained access to crown lands, forested areas and utility corridors
Objective #2: Asset and Product Excellence	Goal 1: Develop a redistribution methodology for member-sectors
	Goal 2: Develop a Special Projects Fund (for large infrastructure projects or other large projects likely to benefit multiple user-groups)
	Goal 3: Develop Pilot Projects for Alternative Revenue Generation (e.g. signage sponsors, website banner or advertisement sponsors)
Objective #3 – Growing a Recreational and Tourism Economy	Goal 1: Increasing the number of trail users year-over-year
	Goal 2: Develop targeted marketing and product awareness building
Objective #4 – Rider Safety and Environmental Stewardship	Goal 1: Enhance rider safety knowledge building
	Goal 2: Enhance environmental stewardship

Each goal is supported by a detailed action plan, which includes a timeframe for accomplishing the goal and performance measures for evaluating progress toward the goal. In addition, a risk management plan that addresses potential challenges or risks such as lawsuits, liability, duty of care, lobbying, relationship management, land-use agreements, and other considerations identifies mitigative solutions.







**Business Plan &  
Strategy**



# Here to Make a Difference

## Introducing Recreational Trails Coalition Ontario

Recreational Trails Coalition Ontario (RTCO) is a not-for-profit organization dedicated to growing the tourism and economic impact of off-highway power sports in Ontario.

Recognizing that:

- Ontario's economic impacts from off-highway vehicle users (excluding snowmobiles) currently results in over \$211 million in GDP, creates over 9,000 direct and indirect jobs, and contributes \$27 million annually in tax revenue for provincial and federal governments, with an additional \$5.9 million in tourism spending, and creates an additional 60 full time equivalent jobs for RTO 11 alone<sup>1</sup>
- Tourism and economic impacts can gain from consolidated, coordinated, and broad-reaching marketing programs that result in more users and visitors choosing Ontario's off-highway trails and bringing their spending dollars into rural communities across Ontario
- A single and unified voice for all off-highway vehicle users representing established and respected organizations and federations and their member organizations is better than a less organized cluster of ad-hoc collaborations and partnerships between these organizations and clubs in advocating on behalf of the entire sector
- User safety is important and, wherever possible, standards should be coordinated and opportunities to enhance skills should come from a recognized sector authority
- A stronger, incorporated organization within the off-highway trails sector that is composed of stakeholder organizations and their members is the only way to effectively address the collective issues and concerns identified amongst a body of otherwise uncoordinated stakeholder organizations and recreational clubs

This Business Plan and Strategy sets the parameters for an incorporated, non-profit organization to represent the collective voice for the advocacy, economic development, job creation and tourism, safety, and environmental preservation aspirations of its members for the betterment and sustainability of the sector.

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<sup>1</sup> Economic Impact determined by using data output derived from two separate studies: COHV (2014) "Recreational Motorcycling in Canada and its Provinces - 2014-2040," and COHV (2015) "National, Provincial, and Territorial Economic Impacts of ATVs and Side-By-Sides 2015." Data on tourism based on the Ontario Ministry of Agriculture, Food and Rural Affairs' TREIM Model (See the Appendix for a copy of the TREIM Model Report).



## Who are we?

RTCO is a sector-growth advocacy organization comprised of representation from the following not-for-profit organizations (in alphabetical order):

- ATV Ontario Tourism Initiatives Alliance: Existed since 2002, the Alliance has enacted a community-based model for shared-use trail tourism throughout the province of Ontario and has been growing the tourism market for over 15 years.
- Canadian Off-Highway Vehicle Distributors Council (COHV): Since 1984, the trade association has represented the interests of many recognized recreational vehicle brands.
- Eastern Ontario Trails Alliance (EOTA): An organization incorporated in 1999, EOTA is a trails management organization that develops, maintains and markets over 2,700 km of shared-use trails within 25 municipal partner-areas and parts of Ontario.
- Ontario Federation of All-Terrain Vehicle Clubs (OFATV): An organization that has existed since 1999, representing 17 ATV clubs.
- Ontario Federation of 4 Wheel Drive Recreationists (OF4WD): An organization representing approximately 25 four-wheel drive clubs and their members.
- Ontario Federation of Trail Riders (OFTR): An organization that has existed since 1992, representing 13 off-road motorcyclist clubs.
- Park to Park Trail Association: A trails management and promotion organization that administers 230 km of multi-use trails between Killbear and Algonquin Provincial Parks.

Additional advisory support is provided by Ontario Federation of Snowmobile Clubs (OFSC). OFSC is discussed below, serving as an industry benchmark. Complementing OFSC in its existing legislated agreement with the Government of Ontario, we raise a common voice for trials sector growth and longevity in Ontario via increased recreational and tourism promotion and trails development in the sector.

**Figure 1: Contributors to Recreational Trails Coalition Ontario**





## Where do we come from?

There have been a number of key developments that have led to this opportunity to incorporate. Some key milestones include the following:

- **2001:** Under Premier Mike Harris, the Ontario Motorized Snow Vehicles Act (R.S.O. 1990 c.M44.) was updated to make it mandatory for most recreation snowmobiles accessing OFSC trails obtain and display a valid permit, issued through the Ministry of Transportation and OFSC through a contractual agreement.
  - The system constituted a user-pay framework, which minimized the overall individual cost by ensuring that all users of trails paid into the system.
  - The system, in and of itself, was not a draw on Provincial or Federal tax dollars.
  - OFSC's model becomes a benchmark in sector mobilization and inspiration for other federations and trails groups to organize collectively.
- **2010:** Organizations establish the Ontario Power Sports Working Group (OPSWG)<sup>2</sup> to explore opportunities for stronger mutual coordination amongst each other and their members.
  - The OPSWG commissioned an exploratory study to determine the kind of organization that could represent all stakeholder groups in working through mutual goals and concerns.
- **2014:** The OPSWG published *Where the Blacktop Ends, Opportunities Begin*, which outlined advice, options, and recommendations on the sustainable funding of trails-based power sports for the betterment of people, tourism, wildlife, and the outdoors in Ontario.
  - The *Blacktop* document outlined a rationale and recommendations for a annual registration fee paid for by all vehicle users, and inclusive of all terrestrial power sport vehicles. The document constituted a feasibility and best practice study with recommendations, but was not a business plan and incorporation did not follow, though semi-regular follow-up meetings did occur.
- **2018:** A meeting on March 19<sup>th</sup> among OPSWG members as well as Haliburton ATV Association and Kawartha ATV Association concluded that a request for proposals should be issued for a business plan and action plan designed to establish the scope and operations of RTCO, and MDB Insight, a Canadian consulting firm, was contracted to assist with the attainment of this goal.

This business plan and action plan outlines the steps necessary for our newly formed organization to achieve its strategic objectives, so that new and even greater milestones can be shared as good news stories about cooperation, economic impact, and best practices.

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<sup>2</sup> Organizations included: Ontario Federation of ATV Clubs, Ontario Federation of 4 Wheel Drive Recreationists, Ontario Federation of Trail Riders, Ontario Federation of Snowmobile Clubs, ATV Ontario, Park to Park Trail, Eastern Ontario Trails Alliance, and Canadian Off-Highway Vehicle Distributors Council



## Why we work together?

There are three primary perspectives that inform the need for RTCO. They all emanate from a singular understanding that more can be accomplished as one than as an otherwise informal set of individual organizations lacking a formal structure. Taken together, the three perspectives identified below explain why the formation of this new organization resolves many issues and brings many positive benefits to a diverse range of stakeholders.

### Revenue Partners' Perspective

Until this time, all motor sport trails organizations have operated independently, pursuing individual sources of revenue via government grants and municipal contributions in addition to collecting member fees. The RTCO benefits revenue partners in numerous ways, including:

- **Peace of Mind** – Rather than dealing with multiple voices, funders deal with a unified voice. The organization allows decisions to be made based on consensus or large majority with good governance, transparency, and accountability behind the organization.
- **Maximize Economic Return to Province** – The organization will grow a recreational and tourism motor sports sector that leads to greater revenues to the Province via income taxes of increased direct and indirect employment and sales tax associated with increased spending at vehicle dealers, stores, restaurants, overnight accommodations, and other locations.
- **Bridging Communities** – The organization ensures that communities remain connected across Ontario via an extensive network of well-maintained and enjoyable trails and paths so they can benefit from the sector's economic spin-offs.
- **A Higher Standard for Safety** – The organization can take the lead on identifying, promoting, and advocating best practices in safety to reduce the risk of harm, increase mindfulness of others, and ensure trails activities remain fun and safe for everyone.
- **Reduce Trespassing, Property Infractions and Damage** – By developing more places to ride legally and increasing awareness, the organization decreases trespassing, property infractions, and property damage.

### Asset User's Perspective

The users of the trail systems also benefit from a consolidated trails organization. Benefits include:

- **Better Trails Assets** – The organization ensures that revenues are maximized and put back into ensuring trails are appropriately maintained for the safest and most enjoyable experiences for users.
- **Reduced Individual Costs** – The organization with a universal and mandatory user-pay system, ensures that all riders have to be registered, thereby reducing the cost on individual users.
- **Access to More** – The organization can extend the network of specific and multi-use trails across a broader geographic range than ever before, ensuring more flexibility and ease so that users can explore other parts of the province. In order for this to succeed, everyone has to pay a fair amount to be able to enjoy this extended and greater mixed-use access and ensure trails are maintained.



- **A Unified Voice** – The consolidated organization ensures that users have greater leverage with decision makers when dealing with grievances or issues that need to be addressed.

### Service Provider's Perspective:

Service providers, such as tourism-related business, member federations, trails management organizations, and other organizations or businesses associated with the sector also benefit from RTCO. Benefits include:

- **Sustainable Funding** – In partnership with the Province, the organization can develop a mandatory registration system that ensures a consistent and predictable stream of funding to sustain tourism marketing, trails maintenance, major infrastructure projects, safety advocacy and signage, operations, and advocacy activities.
- **Proactive Public Relations** – The organization is capable of organizing professionally to undertake effective public relations and advocacy as demanded by its members and stakeholders and presenting a unified voice to target audiences.
- **Organizational Sharing** – The organization promotes the sharing of innovative ideas and best practices among member organizations by creating an environment that is encouraging of information sharing and collective problem solving.
- **Growing Members** – The organization can make materials and facilities available to grow new members via special programs and mentor-organization matching.

## The time is now!

The time is now to mobilize! Jurisdictions in other provinces and in the United States have already organized to create sector building structures that market aggressively and generate significant amounts of revenue through their legislated user-pay systems. The revenues they have generated have created jobs, grown tourism, and improved trails infrastructure and service delivery.

Below are just a few examples of other organizations and jurisdictions that are self-sustaining and impactful entities.

### Ontario Federation of Snowmobile Clubs

RTCO does not need to look far for examples of strong mobilization efforts. OFSC is a volunteer-based, non-profit organization that represents 231-member snowmobile clubs that maintain 33,000 km of snowmobile trails throughout Ontario.

In 2001, after a long period of lobbying, the OFSC became the exclusive retailer of a legislated permit that is mandatory to all snowmobilers with the exception of people that snowmobile only on their own private property. The OFSC's willingness to work collaboratively for the betterment of the sector and increased safety and fairness allowed the organization to be viewed as the preeminent authority by stakeholders, facilitating its ability to become the sole distributor of permits.

The OFSC's primary revenue source is permits sales. 2018/19 season permits will cost users \$190.00 plus



a \$7.50 processing fee in early bird pricing, and inflate to \$270.00 during the on-season. Reduced rates are also available for shorter periods of time during the season. Specific sales revenues, based on costs and member estimates it likely generates over \$15 million per year.

In 2013, snowmobiling was estimated to result in approximately \$850 million in expenditure and \$1.7 billion in economic impacts in Ontario, including the creation of 11,307 jobs (direct and indirect) and over \$332 million in taxes.<sup>3</sup> Tourism development is a key objective of the organization as is rider safety, for which it offers a certification for children 12 to 16 years of age.

**Take Away:** OFSC remains a best practice in coordination of members and clubs so that assets and revenue can be maximized for users. The organization mobilized to enter into an agreement with the Provincial government, wherein it administers a permit system established and protected under an Act of Government. RTCO can potentially mobilize to pursue a similar outcome.

## Quebec

In Quebec, registration of snowmobiles and ATVs is mandatory for any use off of one's private property. The *Fédération Québécoise des clubs quads* (FQCQ) represents nearly 60,000 quad riders and generates over \$15 million annually via legislated permit fees (based on estimates of users and rates). Meanwhile, *la Fédération des clubs de motoneigistes*, consists of 90,000 individual snowmobilers, generating at least \$20 million from permits (also based on estimates).

The FQCQ cites more than \$937 million in economic benefits to the Province of Quebec annually, while snowmobiling in Quebec is estimated at over \$2 billion dollars. That figure includes direct expenditures by snowmobilers, trail maintenance activity, and the manufacture and sale of both snowmobiles and trail grooming equipment.<sup>4</sup> Add to this the additional spin-offs among communities and their local businesses, and the impact is likely even greater.

**Take Away:** Having legislated permit programs for each type of vehicle, these organizations are able to leverage predictable and sustainable revenues into greater impacts on marketing and higher quality grooming and maintenance. The outcome is a multi billion-dollar sector, thanks to these organizations, their enthusiasts, and their spending dollars.

## New Brunswick

New Brunswick also has mandatory registration requirements for ATVs, snowmobiles, and dirt bikes (in most applications). During the 2010-2011 season, New Brunswick ATV Federation expenditures totaled \$2.5 million, including \$2.1 million in trail development projects. NBATVF trail development and operational expenditures in 2010, combined with visitor spending generated a total sales volume of \$12.2 million dollars. The value added to the provincial economy from ATV tourism visitor spending was estimated at \$4.9 million. Provincial tax revenues were estimated at \$670,000. This level of economic activity was estimated to sustain approximately 54 jobs (full-time equivalent person-years of

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<sup>3</sup> Ontario Federation of Snowmobile Clubs, 2014, "The Economic Impact of Snowmobiling in Ontario," < <https://www.orangeville.ca/get-file/1447> >



employment).<sup>5</sup>

In 2015, the Government of New Brunswick calculated economic impact of snowmobiling tourism at \$32.7 million.<sup>6</sup> The New Brunswick Federation of Snowmobile Clubs reported \$2,471,755 in permit sales in its 2018 annual report.

In June of 2018, the Province of New Brunswick announced nearly \$15 million in funding for a trails master plan which included a list of 11 signature trails, designed to attract trails enthusiasts from outside the province.

**Take Away:** While the various federations derive sustainable funding, which contributes significantly to trails maintenance and upkeep, the addition of a one-time \$15 million in trails support designed to increase tourism demonstrates the potential the province has to generate significant returns on investment via additional spending from visitors and jobs created.

## Michigan

In Michigan, trails are administered directly by the State via a state-controlled legislated permit and gas tax applicable to specific types of vehicles. Off road vehicle (ORV) permit sales generate approximately \$7 million in funding for the maintenance of the State's trails networks, but tax revenue from fuel also adds to this value.

On the tourism side, annual ORV trip spending brought \$82 million to Michigan travel corridors and destination regions, according to a 2010 study. The economic significance of this trip spending (all economic activity associated with the spending) was that it supported 800 jobs and generated an additional \$54 million in economic activity. When only considering non-resident portion of trip spending, non-residents annually generated \$17 million of spending in Michigan, supporting 174 jobs and an additional \$11.6 million in economic activity.<sup>7</sup>

**Take Away:** Michigan treats its trails as a public good, which is why it directly earmarks funding derived from permit sales back into trails maintenance programming. Visitor attraction is also an aim of its revenue generation function. Promoting trails means real economic value for rural communities in Michigan and the businesses that operate in them.

## Conclusion

The trails sector is at a critical junction, where it makes economic sense to join together in a way that builds a stronger and organized community of shared use motorized sport recreation and tourism development organizations and enthusiasts. RTCO is greater than the sum of its parts because together it

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<sup>5</sup> New Brunswick Dept. of Culture, Tourism and Healthy Living. "The Economic Impact of ATV Tourism in New Brunswick by NBATVF Trail Permit Holders. May 17, 2012. <[http://nbatvng.com/data/1612-nbatvf\\_economic\\_impact\\_on\\_atv\\_tourism\\_report2011.pdf](http://nbatvng.com/data/1612-nbatvf_economic_impact_on_atv_tourism_report2011.pdf)>

<sup>6</sup> New Brunswick Federation of Snowmobile Clubs. "President's Message." 2018. <https://nbfsc.com/index.php/about-us/president-s-message>

<sup>7</sup> Michigan Dept. of Natural Resources and Environment. July 6, 2010, "Michigan Licensed ORV Use and Users – 2010." <[https://www.michigan.gov/documents/dnr/ORV2010ReportFinal\\_327707\\_7.pdf](https://www.michigan.gov/documents/dnr/ORV2010ReportFinal_327707_7.pdf)>





can accomplish more for its stakeholders by being a robust advocate, creating an sector built on growing the economic impact of tourism and recreation, and ensuring the quality of trail assets, safety of users, and best practices in trails management are upheld.

There have been positive stories emerging from OFSC, other provinces and the United States, but Ontario's motorized trail user sector (beyond snowmobiles) has the capacity learn from these examples. Formally organizing as a not-for-profit corporation creates a legitimate organization to serve the collective needs of these different organizations that share a common vision for a stronger trails sector and its benefits to communities, businesses, families, and individual enthusiasts.



# Organizational Structure and Objectives

This section of the business plan defines the organization, its structure and strategic objectives, and areas of operation.

## Defining Recreational Trails Coalition Ontario

### Who Are We?

We are **Recreational Trails Coalition Ontario**.

Our mission is to work respectfully and dutifully for our members and communities to enhance the economic impact of the off-highway vehicle sector in Ontario through the coordination of off-highway trails marketing, advocacy, asset maintenance, environmental stewardship, and user safety.

Our vision is to grow a recognized, coordinated, and sustainable off-highway vehicle sector in Ontario.

### Guiding Principles

**Recreational Trails Coalition Ontario strives to uphold and promote the following guiding principles:**

- **Principle #1:** Ensure funds raised from a specific discipline are put to work for the benefit of that discipline to the greatest extent possible.
- **Principle #2:** Ensure access to public land is sustained and private land owners are respected for their property and wellbeing.
- **Principle #3:** Promote shared-use trails access to as many stakeholders as possible.
- **Principle #4:** Maximize the potential for improving tourism and economic development derived through off-highway motor sports.
- **Principle #5:** Foster partnerships to promote safe, responsible power sport participation and care for the outdoors.

Our guiding principles underpin our decision-making. They are consulted in formulating our strategic objectives, activities and undertakings so that our values and commitment to our members are authentic and sincere.

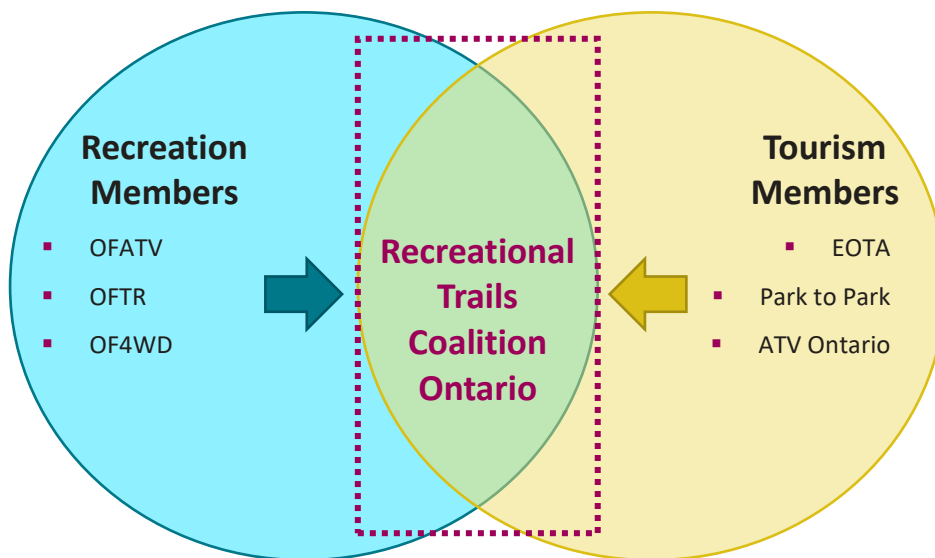


## Governance

### Organizational Concept

RTCO represents the convergence of two key sector sub-sectors, plus advisory support from additional organizations. The recreation-oriented members represent a variety of recreational trail users via their respective member-organizations, while tourism-oriented members encourage tourism growth via their activities and marketing in addition to member support or entirely dedicate resources to tourism. These are summarized visually in the figure below. Notably, the organization is comprehensive of all activities of motorized sports currently occurring in Ontario with the exception of snowmobiles, but the model is able to accommodate new organizations if they emerge in the future. Advisory capacity is also provided toward the organization by the Canadian Off-Highway Vehicle Distributors Council and the Ontario Federation of Snowmobile Clubs.

**Figure 2: Conceptual Relationships Contributing to Recreational Trails Coalition Ontario**



Notes: OFATV = Ontario Federation of All-Terrain Vehicle Clubs; OFTR = Ontario Federation of Trail Riders; OF4WD = Ontario Federation of All-Wheel Drive Recreationists; Park to Park = Park to Park Trail Organization; EOTA = Eastern Ontario Trails Alliance

### Organizational Chart

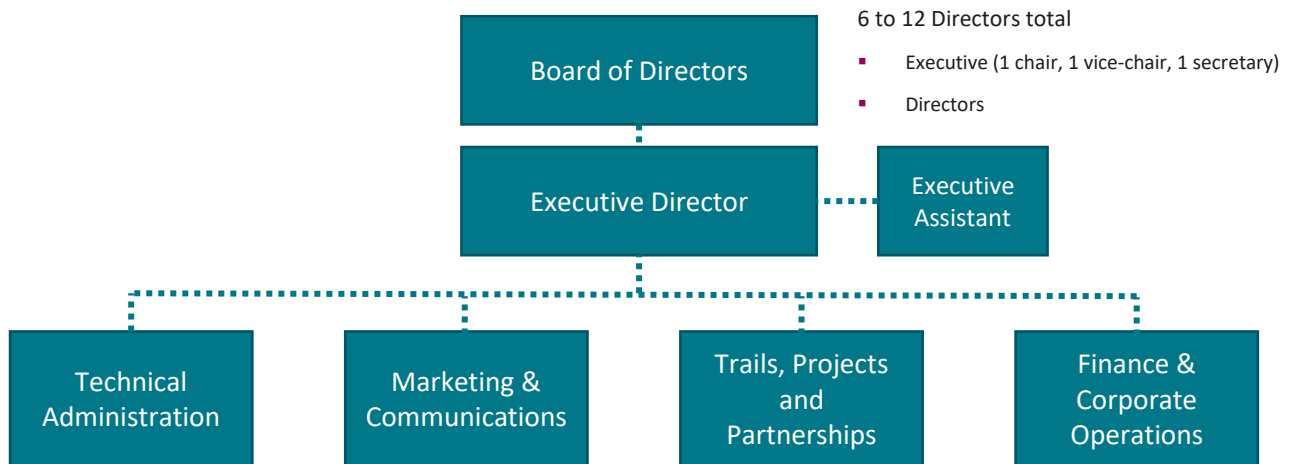
The figure below outlines the organizational structure of RTCO. It is led by a Board of Directors who in time is supported by an Executive Director and Executive Assistant as the first retained employees. The structure is intentionally lean during preliminary stages of operation until future revenue streams emerge. Following successful attainment of additional operations funding, a series of managers are identified to lead different aspects of the organization, but these positions are viewed as long-term opportunities.

RTCO will be a registered not-for-profit corporation and will abide by all provisions identified under the



Ontario Not-for-Profit Corporations Act (2010 S.O. 2010, c 15).

**Figure 3: Recreational Trails Coalition Ontario Organizational Chart**



Source: MDB Insight, 2018. Note: This organizational chart displays phases of organizational development.

## Board of Directors

The organization will identify a process for nominating and voting a Board. Specific seats will be reserved for representative from each of the following interest areas:<sup>8</sup>

- All-Terrain Vehicles
- All-Wheel Drive (4x4s)
- Off-road motorcyclists
- Regional Product Operators
- Original Equipment Manufacturers (OEM)
- Tourism Sector At-Large
- Members at-large

## Advisory Committee to the Board

The Board will also convene an advisory committee and consideration should be given to including representation from the following:

- Ministry of Tourism, Culture and Sport, Ontario
- Ministry of Transport, Ontario
- Ministry of Natural Resources and Forestry, Ontario
- Ontario Federation of Snowmobile Clubs
- Tourism Business Advisor
- Safety Advisor

<sup>8</sup> Snowmobile stakeholders have not been included under the governance model for Recreational Trails Coalition Ontario because the stakeholders are already addressed under the legislated framework the Province shares with Ontario Federation of Snowmobile Clubs (OFSC). Though there is mutual agreement between Recreational Trails Coalition Ontario and OFSC to collaborate, share knowledge and best practices, and for OFSC to serve in an advisory capacity, the OFSC will not be an official member of RTCO.



The Board is directly responsible for ensuring compliance with the *Ontario Not-for-Profit Corporations Act* and any other pertinent piece of legislation. Provisions of the *Act* applicable directly to the Board include the following:

- After incorporation, a first meeting of the directors of the corporation must be held at which the directors may: make bylaws; adopt forms of corporate records; authorize the issue of debt obligations; appoint officers; appoint one or more auditors to hold office until the first annual or special meeting of members; make banking arrangements; issue memberships; transact any other business.
- The Board has the authority to develop bylaws and, unless they state otherwise, it has the authority by resolution to make, amend or repeal any bylaw that regulates the activities or affairs of the corporation, unless it contravenes other aspects of legislation.
  - The proposed resolutions, amendments, or repeals must be put to a vote by the membership at the next meeting.
- Directors must pass the first organizational bylaw (i.e. an organizational constitution or charter) within 60 days of incorporation, or it must default to the standard organizational bylaws approved by the Director of the Ministry.
- The corporation must have at least three directors and the directors are people, not organizations, even if they are part of another organization.
- An incorporator or a director may call the first meeting of the directors by giving not less than five days notice to each director, stating the time and place of the meeting.
- Unless the bylaws provide otherwise, a director may, if all the directors of the corporation consent, participate in a meeting of the directors or of a committee of directors by telephonic or electronic means.
- The directors of the corporation shall call an annual meeting of the members of the corporation within 18 months after the corporation comes into existence and subsequently no later than 15 months after holding the preceding meeting, and the directors can at any time call a special meeting of the members.



## Strategic Objectives

### SOARR Assessment

The Strategic Objectives of RTCO are informed by a strengths, opportunities, aspirations, risks, and results (SOARR) assessment. The SOARR assessment accomplishes the same preliminary objectives of a strengths, weaknesses, opportunities, and threats (SWOT) analysis, but proactively seeks ways to turn weaknesses and threats into opportunities. Furthermore, the SOARR allows for a forward-looking approach to strategic planning; grounding strategic objectives in the aspirations of stakeholders and the means by which they can be measured.

Over the course of preparing this business and action plan, two specific workshops were held. In addition, notes from previous workshop sessions were also consulted. Finally, interviews were conducted with 10 different people ranging from lawyers, insurance providers, politicians, and business community representatives. These have been used to inform the SOARR assessment.

The key findings of the SOARR assessment for RTCO are presented in the figure below, along with the key characteristics of the SOARR model.



Figure 4: SOARR Assessment Model and Key Findings





## Our Strategic Objectives

Our strategic objectives emanate from the SOAAR assessment above and will frame the activities and priorities of our organization, as outlined in our Operations Strategy (see Chapter 5).

Our Strategic Objectives are:

- **Strategic Objective 1 - Advocating for a Better Future:** Advocacy efforts drive systemic change and improvements by decision-makers, reinforce the importance of economic benefits, ensure land access rights remain intact, and promote a self-sustaining legislated-permit model, funded entirely by all users to lower individual costs.
- **Strategic Objective 2 - Asset and Product Excellence:** Asset and product enhancements include the coordination of priority maintenance activities, distribution of financial resources in support of asset maintenance and infrastructure improvements, which can be most optimally realized by a legislated permit or an interim mandatory universally exclusive pass system.
- **Strategic Objective 3 - Growing a Recreational and Tourism Economy:** The growth of the sector produces economic impact, but its objectives are assisted by revenues derived from strong financial performance and strong marketing/communications via the organization’s advocacy efforts.
- **Strategic Objective 4 - Rider Safety and Environmental Stewardship:** Through advocacy efforts rider safety can be enhanced by the sharing of best practices and the establishment of standards, asset maintenance can include protection of non-trail property adjacent to trail areas and other restorative measures, and can be increasingly funded by the self-sustained organization.

Strategic objectives are aligned by areas of overlap with identified aspirations in the matrix below.

**Figure 5: Strategic Objectives and Aspirations Matrix**

Strategic Objective	Aspirations				
	Measurable economic impact	Advocate concerns / interests	Trail asset maintenance and infrastructure	Access to land	Financially self-sustaining
#1: Advocating for a Better Future	✓	✓			✓
#2: Asset and Product Excellence	✓	✓		✓	✓
#3: Growing a Recreational and Tourism Economy			✓		✓
#4: Rider Safety and Environmental Stewardship		✓	✓		✓





## Key Personnel of the Organization

As identified in the organizational chart, there are several key personnel identified as core to the organization.

### Executive Director

The Executive Director is responsible for overseeing the administration, programs, and strategic plan of the organization. Other key duties, particularly during early stages of the organization when staffing may be limited, include fundraising, marketing, and stakeholder engagement. A significant portion of the Executive Director's time should be devoted to relationship management in the pursuit of the advocacy objectives of the organization. The position reports directly to the Board of Directors at predetermined and frequent intervals and is answerable for the overall success of the organization's progress towards its strategic objectives and priorities, including reporting on key performance metrics used for the organization and its staffs.

### Other Support Staff

The Executive Director will be supported by an Executive Assistant, which can be a part-time position in early stages of the organization. Once financially salient, the organization will be capable of hiring additional support staff under specific divisions, and their respective coordinators, which may have one or more people within them. These include the following, in order of importance:

- **Marketing and Communications Coordinator:** This role is the primary driver for revenue generation from user growth, including targeted marketing campaigns that seek to increase annual memberships and tourism growth. The role also supports the executive director in assisting with formulating communications content for the organization's advocacy objectives. The coordinator will also ensure messaging platform content is maximized and that content for the website is managed.
- **Trails, Partnerships and Projects Coordinator:** This role channels resources toward member organizations for their trails-related needs, including the identification of potential special projects of mutual importance to multiple member organizations. The coordinator also nurtures relationships with member organizations and other strategic partners, such as municipalities on behalf of the members. The position identifies best practices for knowledge sharing between organizations and opportunities for rider safety standards. Note: the organization does not undertake or contract trails maintenance directly, unless directly imposed by the Board of Directors in agreement with appropriate members.
- **Finance and Corporate Operations Coordinator:** This role is the conduit for administrative matters, including managing bookkeeping, human resources and government reporting. The role liaises with external resources associated with insurance, legal and accounting services. The coordinator also assists the Executive Director in preparing grant applications and manages redistribution payments to member organizations based on the agreed upon framework.
- **Technical Administration Coordinator:** This role is responsible for the technical operations of the organization, including computer and website back-end support. The coordinator also maintains the databases associated with user information and purchases. A knowledge of geographic information systems is required in order to maintain a database of existing trail assets and work collaboratively with Marketing & Communications to produce digital and print-ready maps.



# Financial Plan

This section explains some key assumptions applied to the budget and forecasted outlook of the organization.

## Revenue

**Revenue from ATVs/ORVs and Off-road Motorcycles (ORM):** Number of registered fit-active vehicles is directly proportionate to the dollar amount that can be derived from users, as projections for permit-sales are based on varying proportions of the total estimated population of individual vehicles. These have been estimated at 258,000 for ATVs and side-by-sides, and 11,000 for ORMs. Snowmobile totals have been excluded, as they already have their own legislated funding. For 4x4 numbers, the existing membership was doubled from the existing 1,200 to 2,400, and has been designated its own line item for ease of adjustment henceforth.

Three different models have been developed to test the financial potential for revenue generation:

1. **Service Ontario Administered:** This legislated permit process is administered directly by the Ministry of Transport at designated Service Ontario centres, which applies a weight of 80%, 60%, or 40% of total active user populations to determine the number of permits sold over three different scenarios. All vehicles are charged \$100 per permit regardless of the type<sup>9</sup>, including HST. Service Ontario processing fees are not included. This model assumes that because the Government itself is issuing the permit, users will be more likely to register than in the other two models. Annual growth rates of 5% on the existing total permit holders are applied in the forecast period for each scenario.
2. **RTCO Administered Model:** Though this model is also a legislated permit mandated by the Province, it is based on the OFSC version where its administration is handled by an external organization. In all other respects it wields the same scope of access as the Service Ontario model. Users may be less likely to take the permit system seriously than in the model above, but more likely than in a universal pass. The same approach would be applied to RTCO, at weights of 50%, 40%, and 30% over three different scenarios. Annual growth rates of 5% on the existing total permit holders are applied in the forecast period for each scenario. All vehicles are charged \$100, including HST.
3. **Universal Access Pass:** This would be a self-governed universal pass shared across all organizations and administered by RTCO. It would likely have the lowest buy-in due to a lack of legislated impact. The model estimates an uptake of 30%, 20%, and 10% of the total active user population. Annual growth rates of 5% on the existing total permit holders are applied in the forecast period for each scenario. All vehicles are charged the same fee of \$150.

**Budget Time Lines:** The budget projects that both Service-Ontario and RTCO-inspired legislated permit models are not likely to happen within the first two years of incorporation, building a theoretical start by 2021. The Universal Access Pass could feasibly be implemented by the start of 2019 season; however, this model has it operational as of 2020.

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<sup>9</sup> The \$100 rate demonstrates an equal application for consistency. If the Board elects to adjust amounts at a later time, this is to its discretion.



**Revenue from Visitor Passes:** Visitors are modelled after a proportion of one-day or multi-day pass users that purchased Eastern Ontario Trails Alliance (EOTA) passes in 2017-2018. Approximately 39% of EOTA permit purchases were one-day permits. This proportion is used as a multiplier against the three scenarios in each of the three models.

**Processing Fee Revenue:** The budget allocates a Processing Fee of \$7.50 per permit, applicable to season and visitor permit holders. Processing fees do not apply to the Service Ontario Administered Model, because the Province would apply its own.

The figure below applies the assumptions associated with permit sales weighting, while the subsequent figure outlines the results of these multipliers based on the scenario's total revenue, plus visitor revenue from single-period passes, and (where applicable) from processing fees.

**Figure 6: Multiplier Proportions for Different Registration Models**

**Service Ontario Administered Model**

	Total Active	Proportion that buy Permit			\$ per permit
		80%	60%	40%	
ATV	258,000	206,400	154,800	103,200	\$100
ORM	11,000	8,800	6,600	4,400	\$100
4x4	2,400	1,920	1,440	960	\$100
Total	271,400	217,120	162,840	108,560	-

**RTCO Administered Model**

	Total Active	Proportion that buy Permit			\$ per permit
		50%	40%	30%	
ATV	258,000	129,000	103,200	77,400	\$100
ORM	11,000	5,500	4,400	3,300	\$100
4x4	2,400	1,200	960	720	\$100
Total	271,400	135,700	108,560	81,420	-

**Universal Pass Model**

	Total Active	Proportion that buy Permit			\$ per permit
		15%	10%	5%	
ATV	258,000	38,700	25,800	12,900	\$150
ORM	11,000	1,650	1,100	550	\$150
4x4	2,400.0	360	240	120	\$150
Total	271,400	40,710	27,140	13,570	-



**Figure 7: Revenue Generated from Permit Sales Under Three Different Models**

**Service Ontario Administered Model**

	Scenario Total Revenue			Visitor Impact			Processing Fee (\$7.50)			Total		
	S1	S2	S3	V1	V2	V3	P1	P2	P3	S1+V1	S2+V2	S3+V3
ATV	\$20,640,000	\$15,480,000	\$10,320,000	\$2,817,360	\$2,113,020	\$1,408,680	-	-	-	-	-	-
ORM	\$880,000	\$660,000	\$440,000	\$120,120	\$90,090	\$60,060	-	-	-	-	-	-
4x4	\$192,000	\$144,000	\$96,000	\$26,208	\$19,656	\$13,104	-	-	-	-	-	-
<b>Total</b>	<b>\$21,712,000</b>	<b>\$16,284,000</b>	<b>\$10,856,000</b>	<b>\$2,963,688</b>	<b>\$2,222,766</b>	<b>\$1,481,844</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,675,688</b>	<b>\$18,506,766</b>	<b>\$12,337,844</b>

**RTCO Administered Model**

	Scenario Total Revenue			Visitor Impact			Processing Fee (\$7.50)			Total		
	S1	S2	S3	V1	V2	V3	P1	P2	P3	S1+V1	S2+V2	S3+V3
ATV	\$12,900,000	\$10,320,000	\$7,740,000	\$5,031,000	\$4,024,800	\$3,018,600	\$1,306,125	\$1,044,900	\$783,675	-	-	-
ORM	\$550,000	\$440,000	\$330,000	\$214,500	\$171,600	\$128,700	\$55,688	\$44,550	\$33,413	-	-	-
4x4	\$120,000	\$96,000	\$72,000	\$46,800	\$37,440	\$28,080	-	-	-	-	-	-
<b>Total</b>	<b>\$13,570,000</b>	<b>\$10,856,000</b>	<b>\$8,142,000</b>	<b>\$5,292,300</b>	<b>\$4,233,840</b>	<b>\$3,175,380</b>	<b>\$1,361,813</b>	<b>\$1,089,450</b>	<b>\$817,088</b>	<b>\$20,224,113</b>	<b>\$16,179,290</b>	<b>\$12,134,468</b>

**Universal Pass Model**

	Scenario Total Revenue			Visitor Impact			Processing Fee (\$7.50)			Total		
	S1	S2	S3	V1	V2	V3	P1	P2	P3	S1+V1	S2+V2	S3+V3
ATV	\$5,805,000	\$3,870,000	\$1,935,000	\$2,263,950	\$1,509,300	\$754,650	\$391,838	\$261,225	\$130,613	-	-	-
ORM	\$247,500	\$165,000	\$82,500	\$96,525	\$64,350	\$32,175	\$16,706	\$11,138	\$5,569	-	-	-
4x4	\$54,000	\$36,000	\$18,000	\$21,060	\$14,040	\$7,020	\$3,645	\$2,430	\$1,215	-	-	-
<b>Total</b>	<b>\$6,106,500</b>	<b>\$4,071,000</b>	<b>\$2,035,500</b>	<b>\$2,381,535</b>	<b>\$1,587,690</b>	<b>\$793,845</b>	<b>\$412,189</b>	<b>\$274,793</b>	<b>\$137,396</b>	<b>\$8,900,224</b>	<b>\$5,933,483</b>	<b>\$2,966,741</b>



**Revenue from Grants:** Grant revenue shall continue to remain important for special projects or campaigns or other capital expenses. In the start-up year of the organization, grants will be particularly important as there will likely not yet be any direct revenue from any legislated permit or universal pass. A total of \$250,000 in grants is targeted for the first two years of operations, increasing to \$350,000 by the third, fourth, and fifth years. Beyond the five-year strategy it is expected that the organization would rely on lesser amounts of government grants, as other revenue sources continue to grow.

**Revenue from Municipalities:** The organization will generally not depend or budget for revenue from municipalities, instead assuming that federations, their clubs or other trails-related organizations will work with municipalities regarding any municipally-obtained funding.

**Advertising and Business Development:** The organization expects that banner and other advertising sales on its website will contribute to revenue streams for the organization. In addition, trail-side business or other business-oriented signage will be developed and mounted in a tasteful and consistent manner. Because cost factors can be expected to vary significantly a pilot study is recommended for the first five years of operation. Revenues will be monitored but cannot be anticipated due to lack of sufficient data on cost-recovery and market value.

## Expenses

There are two phases of expense considerations. The first applies to a period prior to enacting a permit system, either universal or legislated, and the second relates to after the respective permit system is in place. These are differentiated as Pre-Permit and Post-Permit. Under both models, proportionate models are developed to distribute revenue into different operations considerations. These distributions are used as multipliers to calculate the appropriate distribution of funding necessary to administer the item in question in dollar amounts.

### Figure 8: Pre-Permit Expense Multipliers

Remitted to RTCO Operations	
Staffing and Benefits	43.0%
Special Projects	15.0%
Marketing & Communications	25.0%
Office Administration & Rent	4.2%
Professional fees	10.0%
Other	2.8%

The above multipliers are based on the logic of having \$140,000 for staffing and benefits costs. Notably, 25% of the operating budget is devoted to marketing and communications, which in this stage consists largely of advocacy toward a legislated permit. Professional fees of incorporation and other expense are likely to require a larger proportion than in the post-permit periods.

The post-permit expenses include some newly added expense categories to reflect the redistribution of revenues derived from permit sales, in addition to other sources such as grants.



**Figure 9: Post-Permit Expense Multipliers**

HST (13%)	10.3%
Remitted to Federations or Trails Organizations	53.9%
Liability Insurance (\$2M)	7.0%
Contingency Allocation	9.0%
Remitted to RTCO Operations	-
Staffing and Benefits	4.8%
Special Projects	4.0%
Marketing & Communications	3.0%
Office Administration & Rent	3.0%
Professional fees	3.0%
Other	2.0%

HST payments will be required once the permit system is installed. Also added is a category to redistribute funds back to federations or trails organizations. Notably, the largest proportion of revenue is paid-out back into the various groups. There a proportion allocated to liability insurance and a one-time contingency fund contribution representing 10% of permit sales income, for the first year of the respective permit system. Notably, a contingency fund is not typically shown in a budget, but it is placed here intentionally so that it can be tracked.

The remainder of the expense categories fall under funds that had been remitted to the organization, constituting just under 20% of the total expense budget.

## Projected Financial Statements

On the following pages, output tables are presented showing the projected financial statements under each of the three models, according to three revenue generation scenarios, high (Scenario 1), medium (Scenario 2) and low (Scenario 3).



**Figure 10: Service Ontario Administered Model – Balance Sheet and Forecast**

Revenue	Scenario 1					Scenario 2					Scenario 3				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Legislated Permit			\$24,675,688	\$25,909,472	\$27,204,946			\$18,506,766	\$19,432,104	\$20,403,710			\$12,337,844	\$12,954,736	\$13,602,473
Government Grants	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000
Private Funding / Advertisement Revenue															
Municipalities															
Other (such as in-kind)	\$75,000	\$75,000				\$75,000	\$75,000				\$75,000	\$75,000			
<b>Total</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$25,025,688</b>	<b>\$26,259,472</b>	<b>\$27,554,946</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$18,856,766</b>	<b>\$19,782,104</b>	<b>\$20,753,710</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$12,687,844</b>	<b>\$13,304,736</b>	<b>\$13,952,473</b>
<b>Expenses</b>															
HST payout (13%)	\$0	\$0	\$2,582,015	\$2,709,311	\$2,842,971	\$0	\$0	\$1,945,539	\$2,041,011	\$2,141,256	\$0	\$0	\$1,309,063	\$1,372,711	\$1,439,541
Remitted to Federations or Trail	\$0	\$0	\$13,499,000	\$14,164,511	\$14,863,297	\$0	\$0	\$10,171,448	\$10,670,581	\$11,194,671	\$0	\$0	\$6,843,896	\$7,176,651	\$7,526,044
Liability Insurance (\$2M)	\$0	\$0	\$1,740,128	\$1,825,917	\$1,915,996	\$0	\$0	\$1,311,180	\$1,375,522	\$1,443,081	\$0	\$0	\$882,232	\$925,127	\$970,167
Contingency Allocation	\$0	\$0	\$2,244,367			\$0	\$0	\$1,691,123			\$0	\$0	\$1,137,878		
Remitted to RTCO Operations	\$325,000	\$325,000	\$4,955,086	\$5,199,376	\$5,455,879	\$325,000	\$325,000	\$3,733,640	\$3,916,857	\$4,109,234	\$325,000	\$325,000	\$2,512,193	\$2,634,338	\$2,762,590
Staffing and Benefits	\$139,750	\$139,750	\$1,201,233	\$1,260,455	\$1,322,637	\$139,750	\$139,750	\$905,124.77	\$949,541.01	\$996,178.06	\$139,750	\$139,750	\$609,016.51	\$638,627.34	\$669,718.70
Special Projects	\$48,750	\$48,750	\$1,001,028	\$1,050,379	\$1,102,198	\$48,750	\$48,750	\$754,270.64	\$791,284.17	\$830,148.38	\$48,750	\$48,750	\$507,513.76	\$532,189.45	\$558,098.92
Marketing & Communications	\$81,250	\$81,250	\$750,771	\$787,784	\$826,648	\$81,250	\$81,250	\$565,702.98	\$593,463.13	\$622,611.29	\$81,250	\$81,250	\$380,635.32	\$399,142.09	\$418,574.19
Office Administration & Rent	\$13,650	\$13,650	\$750,771	\$787,784	\$826,648	\$13,650	\$13,650	\$565,702.98	\$593,463.13	\$622,611.29	\$13,650	\$13,650	\$380,635.32	\$399,142.09	\$418,574.19
Professional fees	\$32,500	\$32,500	\$750,771	\$787,784	\$826,648	\$32,500	\$32,500	\$565,702.98	\$593,463.13	\$622,611.29	\$32,500	\$32,500	\$380,635.32	\$399,142.09	\$418,574.19
Other	\$9,100	\$9,100	\$500,514	\$525,189	\$551,099	\$9,100	\$9,100	\$377,135.32	\$395,642.09	\$415,074.19	\$9,100	\$9,100	\$253,756.88	\$266,094.72	\$279,049.46
<b>Total</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$25,020,597</b>	<b>\$23,899,114</b>	<b>\$25,078,143</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$18,852,930</b>	<b>\$18,003,971</b>	<b>\$18,888,242</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$12,685,263</b>	<b>\$12,108,827</b>	<b>\$12,698,341</b>
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,091</b>	<b>\$2,360,358</b>	<b>\$2,476,803</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,836</b>	<b>\$1,778,134</b>	<b>\$1,865,467</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,581</b>	<b>\$1,195,909</b>	<b>\$1,254,132</b>



**Figure 11: Recreational Trails Coalition Ontario Administered Model – Balance Sheet and Forecast**

Revenue	Scenario 1					Scenario 2					Scenario 3				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Legislated Permit			\$20,224,113	\$21,235,318	\$22,297,084			\$16,179,290	\$16,988,255	\$17,837,667			\$12,134,468	\$12,741,191	\$13,378,250
Government Grants	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000
Private Funding / Advertisement Revenue															
Municipalities															
Other (such as in-kind)	\$75,000	\$75,000				\$75,000	\$75,000				\$75,000	\$75,000			
<b>Total</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$20,574,113</b>	<b>\$21,585,318</b>	<b>\$22,647,084</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$16,529,290</b>	<b>\$17,338,255</b>	<b>\$18,187,667</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$12,484,468</b>	<b>\$13,091,191</b>	<b>\$13,728,250</b>
<b>Expenses</b>															
HST payout (13%)	\$0	\$0	\$2,122,726	\$2,227,057	\$2,336,604	\$0	\$0	\$1,705,403	\$1,788,868	\$1,876,505	\$0	\$0	\$1,288,080	\$1,350,678	\$1,416,407
Remitted to Federations or Trails Organizations	\$0	\$0	\$11,097,795	\$11,643,245	\$12,215,968	\$0	\$0	\$8,915,994	\$9,352,354	\$9,810,533	\$0	\$0	\$6,734,194	\$7,061,464	\$7,405,097
Liability Insurance (\$2M)	\$0	\$0	\$1,430,593	\$1,500,906	\$1,574,735	\$0	\$0	\$1,149,342	\$1,205,592	\$1,264,655	\$0	\$0	\$868,091	\$910,278	\$954,576
Contingency Allocation	\$0	\$0	\$1,813,750	\$0	\$0	\$0	\$0	\$1,451,000	\$0	\$0	\$0	\$0	\$1,088,250	\$0	\$0
Remitted to RTCO Operations	\$325,000	\$325,000	\$4,073,674	\$4,273,893	\$4,484,123	\$325,000	\$325,000	\$3,272,799	\$3,432,974	\$3,601,158	\$325,000	\$325,000	\$2,471,925	\$2,592,056	\$2,718,194
Staffing and Benefits	\$139,750	\$139,750	\$987,557	\$1,036,095	\$1,087,060	\$139,750	\$139,750	\$793,406	\$832,236	\$873,008	\$139,750	\$139,750	\$599,254	\$628,377	\$658,956
Special Projects	\$48,750	\$48,750	\$822,965	\$863,413	\$905,883	\$48,750	\$48,750	\$661,172	\$693,530	\$727,507	\$48,750	\$48,750	\$499,379	\$523,648	\$549,130
Marketing & Communications	\$81,250	\$81,250	\$617,223	\$647,560	\$679,413	\$81,250	\$81,250	\$495,879	\$520,148	\$545,630	\$81,250	\$81,250	\$374,534	\$392,736	\$411,848
Office Administration & Rent	\$13,650	\$13,650	\$617,223	\$647,560	\$679,413	\$13,650	\$13,650	\$495,879	\$520,148	\$545,630	\$13,650	\$13,650	\$374,534	\$392,736	\$411,848
Professional fees	\$32,500	\$32,500	\$617,223	\$647,560	\$679,413	\$32,500	\$32,500	\$495,879	\$520,148	\$545,630	\$32,500	\$32,500	\$374,534	\$392,736	\$411,848
Other	\$9,100	\$9,100	\$411,482	\$431,706	\$452,942	\$9,100	\$9,100	\$330,586	\$346,765	\$363,753	\$9,100	\$9,100	\$249,689	\$261,824	\$274,565
<b>Total</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$20,538,538</b>	<b>\$19,645,101</b>	<b>\$20,611,429</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$16,494,539</b>	<b>\$15,779,789</b>	<b>\$16,552,851</b>	<b>\$325,000</b>	<b>\$325,000</b>	<b>\$12,450,539</b>	<b>\$11,914,476</b>	<b>\$12,494,273</b>
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,574</b>	<b>\$1,940,217</b>	<b>\$2,035,655</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,751</b>	<b>\$1,558,466</b>	<b>\$1,634,816</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,929</b>	<b>\$1,176,714</b>	<b>\$1,233,977</b>





**Figure 12: Universal Pass Model – Balance Sheet and Forecast**

	Scenario 1					Scenario 2					Scenario 3				
<u>Revenue</u>	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Universal Access Pass		\$8,900,224	\$9,345,235	\$9,812,497	\$10,303,122		\$5,933,483	\$6,230,157	\$6,541,664	\$6,868,748		\$2,966,741	\$3,115,078	\$3,270,832	\$3,434,374
Government Grants	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$250,000	\$250,000	\$350,000	\$350,000	\$350,000
Private Funding / Advertisement Revenue															
Municipalities															
Other (such as in-kind)	\$75,000	\$75,000				\$75,000	\$75,000				\$75,000	\$75,000			
<b>Total</b>	<b>\$325,000</b>	<b>\$9,225,224</b>	<b>\$9,695,235</b>	<b>\$10,162,497</b>	<b>\$10,653,122</b>	<b>\$325,000</b>	<b>\$6,258,483</b>	<b>\$6,580,157</b>	<b>\$6,891,664</b>	<b>\$7,218,748</b>	<b>\$325,000</b>	<b>\$3,291,741</b>	<b>\$3,465,078</b>	<b>\$3,620,832</b>	<b>\$3,784,374</b>
<b><u>Expenses</u></b>															
HST payout (13%)	\$0	\$951,809	\$1,000,302	\$1,048,512	\$1,099,132	\$0	\$645,716	\$678,905	\$711,045	\$744,791	\$0	\$339,624	\$357,508	\$373,578	\$390,451
Remitted to Federations or Trails Organizations	\$0	\$4,976,139	\$5,229,666	\$5,481,709	\$5,746,355	\$0	\$3,375,862	\$3,549,374	\$3,717,404	\$3,893,834	\$0	\$1,775,584	\$1,869,083	\$1,953,098	\$2,041,313
Liability Insurance (\$2M)	\$0	\$641,464	\$674,145	\$706,636	\$740,751	\$0	\$435,175	\$457,542	\$479,203	\$501,946	\$0	\$228,887	\$240,940	\$251,770	\$263,141
Contingency Allocation	\$0	\$827,341	\$869,493	\$911,399	\$955,399	\$0	\$561,277	\$590,125	\$618,062	\$647,396	\$0	\$295,212	\$310,757	\$324,725	\$339,392
Remitted to RTCO Operations	\$325,000	\$1,828,471	\$1,921,629	\$2,014,242	\$2,111,485	\$325,000	\$1,240,453	\$1,304,210	\$1,365,952	\$1,430,781	\$325,000	\$652,434	\$686,790	\$717,661	\$750,076
Staffing and Benefits	\$139,750	\$442,811	\$465,371	\$487,800	\$511,350	\$139,750	\$300,407	\$315,848	\$330,800	\$346,500	\$139,750	\$158,004	\$166,324	\$173,800	\$181,650
Special Projects	\$48,750	\$369,009	\$387,809	\$406,500	\$426,125	\$48,750	\$250,339	\$263,206	\$275,667	\$288,750	\$48,750	\$131,670	\$138,603	\$144,833	\$151,375
Marketing & Communications	\$81,250	\$276,757	\$290,857	\$304,875	\$319,594	\$81,250	\$187,754	\$197,405	\$206,750	\$216,562	\$81,250	\$98,752	\$103,952	\$108,625	\$113,531
Office Administration & Rent	\$13,650	\$276,757	\$290,857	\$304,875	\$319,594	\$13,650	\$187,754	\$197,405	\$206,750	\$216,562	\$13,650	\$98,752	\$103,952	\$108,625	\$113,531
Professional fees	\$32,500	\$276,757	\$290,857	\$304,875	\$319,594	\$32,500	\$187,754	\$197,405	\$206,750	\$216,562	\$32,500	\$98,752	\$103,952	\$108,625	\$113,531
Other	\$9,100	\$184,504	\$193,905	\$203,250	\$213,062	\$9,100	\$125,170	\$131,603	\$137,833	\$144,375	\$9,100	\$65,835	\$69,302	\$72,417	\$75,687
<b>Total</b>	<b>\$325,000</b>	<b>\$9,223,347</b>	<b>\$9,693,263</b>	<b>\$10,160,429</b>	<b>\$10,650,954</b>	<b>\$325,000</b>	<b>\$6,257,209</b>	<b>\$6,578,818</b>	<b>\$6,890,262</b>	<b>\$7,217,279</b>	<b>\$325,000</b>	<b>\$3,291,072</b>	<b>\$3,464,373</b>	<b>\$3,620,096</b>	<b>\$3,783,604</b>
<b>Balance</b>	<b>\$0</b>	<b>\$1,877</b>	<b>\$1,972</b>	<b>\$2,067</b>	<b>\$2,167</b>	<b>\$0</b>	<b>\$1,273</b>	<b>\$1,339</b>	<b>\$1,402</b>	<b>\$1,469</b>	<b>\$0</b>	<b>\$670</b>	<b>\$705</b>	<b>\$737</b>	<b>\$770</b>



## Budget Considerations and Recommendation

In all models of revenue generation and across all scenarios in each, RTCO is projected to generate surpluses. Under the Service Ontario Administered Model, surpluses result in a total of \$1.2 to \$2.5 million by 2023, while on the lowest end of the spectrum, the universal passes generate between \$700 and \$2,000 by the same year. The differences in models are attributed most profoundly to each model's ability to compel users to purchase permits; with the Service Ontario Administered Model being the most compelling. The RTCO-Administered Model trends much more closely in surplus to the Service Ontario Administered Model than the Universal Pass Model. RTCO's Board should implement an annual review process to decide what to do with surpluses, depending on the needs of different components of the current state of the sector and the organization's operations.

### Pros and Cons of the Service Ontario-Administered Model

This model represents the largest potential for revenue generation because it carries the authoritative weight of the government behind its administration. The model would provide a dedicated stream of revenue by 2023 ranging from \$13.9 million under the low scenario to \$27.5 million in 2023 under the high scenario.

The challenge associated with this model will be one of optics for government, and it may be weary of promoting a model that gives the impression that the money raised may remain in government; even if this is not the case. Tactically, it could be a more difficult sell, but an appropriate emphasis on the economic benefit and government authority complimented by an emphasis on marketing the mechanism as feeding back into the sector directly could bolster confidence in the model. The income from Government would require specific a fund that is dedicated to RTCO. This model is similar to that employed in New Brunswick for ATVs and snowmobiles.

### Pros and Cons of the RTCO-Administered Model

The RTCO has the potential to provide revenues ranging between \$13.7 million (low) and \$22.6 million (high) by 2023. Note that the payout Remitted to Federations or Trails Organizations (which is the redistribution mechanism back to local organizations) for the low scenario by 2023 is still \$6.8 million; which is impressive.

The RTCO model represents less of an invasive image than the other legislated permit model because the optics of the cost are projected upon RTCO instead of Government. This will likely diminish the ability of RTCO users to obtain permits, which is why the model projects a lower range of revenue generation (i.e. some people may evade the system because they view RTCO as the authority instead of the government).

### Pros and Cons of the Universal Pass Model

The Universal Pass Model projects a range of between \$3.7 million (low) and \$10.6 million (high) by 2023, and is overall viewed as sub-optimal compared to the two legislated permit models.



The Universal Pass Model is more immediate because there is support from many corners of government. However, not all trails groups are currently participating because of concerns around sustainable funding for Federations and Clubs. If the decision is made to launch a universal pass, it could be implemented in 2019. **A new funding distribution methodology needs to be agreed upon based on *Guiding Principle #1: Ensure funds raised from a specific discipline are put to work for the benefit of that discipline to the greatest extent possible.***

### Recommended Model

The priority for advocacy should be on persuading the Provincial Government to develop a legislated permit system. Ongoing discussions should keep both legislated permit options on the table, while emphasizing a preference for the Service Ontario Administered model.

Though advocacy for the Province to create the appropriate legal mechanism for this activity will be a challenge, it is reasonably feasible; especially in the current environment where the economic interests of rural Ontario are very high priority. The models project revenue from legislated permits as of 2021, but in reality, this may come sooner or later than the target year. There is a possibility that it takes several years to affect the change needed to adapt the *Off-Roads Vehicles Act*.

The Universal Pass Model could work as an interim replacement framework until the RTCO Administered Model is launched. As a benchmark comparison OFATV, EOTA, OFTR, Park to Park Trail, and OF4WD generated a combined total of less than \$2 million from memberships and grants in 2017. In the Universal Pass Model, the projected revenue for the first year of operation ranges between \$3.3 million and \$9.2 million for 2020, which is already greater than the existing total combined revenues. The universal pass would unite the ability to enforce trail permit purchasing. A mechanism for equitable redistribution of revenue would be required and prior to that each organization should continue to operate under its existing model.

Therefore, it is recommended that a Universal Pass Model be enacted with a targeted start date of 2020, and with a sincere, targeted and assertive campaign for a legislated permit to be agreed upon by the Government of Ontario, under a model of its preference, to be targeted to begin as soon as possible. In the event that Government does not prefer a legislated permit model, the Universal Pass Model will nonetheless constitute a more significant payout than is likely to be the case if the status-quo were to continue. It could be implemented as early as 2019, but the incorporation process, board selection, and official launch of the organization would likely defer its launch until the next full season. It ultimately depends how ambitious and assertive the Board is regarding the matter.



# Communications Plan

The Communications plan establishes the considerations and key actions needed to effectively manage RTCO’s outreach; particularly in the organization’s earliest stages.

## Growing the Sector with Effective Communications

Getting organized prior to communicating the organization’s goals will solidify the message, lend weight to the importance of the project and portray a team capable of carrying out the plan. There are several actions that should be taken in the immediate term to move forward. These actions are outlined below in order of priority:

**Figure 13: Key Steps to Getting Organized for Effective Communications**

Action	Lead	Useful References	Cost
<b>Incorporation of RTCO</b>	Steering committee appointee	<a href="https://www.ontario.ca/page/incorporating-not-profit-corporation">https://www.ontario.ca/page/incorporating-not-profit-corporation</a>	\$155 plus \$30 for NUANS name search
<b>Election of Board</b>	Key principals	<a href="http://www.carters.ca/pub/article/charity/2011/tsc0329.pdf">http://www.carters.ca/pub/article/charity/2011/tsc0329.pdf</a>	N/A
<b>Convene a Communications and outreach working group or sub-committee</b>	Key principals	N/A	N/A
<b>Delegate communications tasks and outlined expectations including milestones and deadlines</b>	Key principals	N/A	N/A
<b>Monitor and adjust tactics</b>	Key principals	N/A	N/A



## Permit System Advocacy Approaches

This section looks at advocacy approaches for two different permit systems: legislated permit and mandatory universal pass.

### Model A - Legislated Permit Advocacy

A legislated permit system allows for the generation of the majority of funds required to build, operate, maintain, and promote a power-sports trail system in Ontario.

The benefits of this revenue stream include:

- Transparency of fee for benefit. The fee is a true user pay initiative in that users of the system will see a direct benefit from their payment and are therefore less likely to see it as a tax.
- Treats vehicle types equitably and consistently for the use of the same prescribed trail system whether they are ATV, ORM, ORV, or 4x4, while also ensuring the maximization of shared-use trails.
- The OFSC experience indicates that a mandated pass will likely result in a higher level of compliance from those who see value in riding through prescribed areas and on organized trail systems.
- The model is prevalent and well understood as per the jurisdictional review.

This is viewed as a viable funding option by RTCO members either as standalone or as complimentary if used in combination with others sources of revenue. The approach to administration could be the same as for an organization, and handled in-house; however, there is also an option to have the Province administer the program via outlets such as Service Ontario.

The figure below outlines the process for outreach to specific target audiences for advocating a legislated permit system.



**Figure 14: Strategic Communications Outreach Regarding Legislated Permit Advocacy**

Target	Intended message	Delivery	Timeframe
<b>Ministry of Transportation</b>	Amend the Off-Road Vehicles Act; making it mandatory of ORV's accessing RTCO's trails to display a valid permit.  Proven success with the OFSC in Ontario.	Advocating to Minister of Transportation, and also leveraging relationships with MPPs for Renfrew-Nipissing-Pembroke and Hastings-Lennox and Addington	Short-term – once RTCO is incorporated and an executive has been elected
<b>Ministry of Tourism, Culture &amp; Sport</b>	ORV tourism and trail development contribute significantly to Ontario's economy. The RTCO can contribute to the new tourism strategy being created for the province.	The Minister of Tourism, Culture & Sport recently (October 23 <sup>rd</sup> ) announced the development of a new tourism strategy for the province. RTCO must provide input and direction on the new strategy.  <a href="https://news.ontario.ca/mtc/en/2018/10/ontarios-government-for-the-people-strengthening-tourism-sector.html">https://news.ontario.ca/mtc/en/2018/10/ontarios-government-for-the-people-strengthening-tourism-sector.html</a>	Short-term – meeting with Ministry staff should be set up as soon as possible
<b>Eastern Ontario Warden's Caucus</b>	RTCO looking for support in advocating the MTO to amend the ORV Act.	Chair and Vice-Chair	Short-term – potential for support with the Ministry of Transportation
<b>Municipalities and Counties</b>	RTCO looking for resolutions of support for the amendment of the ORV Act to allow for legislated permits.	Heads of Council	Short term
<b>Destination Ontario</b>	Positioning the off-road vehicle sector as a significant part of Ontario's tourism economy.	Director, Partnerships and Regional Relations, Destination Ontario  <a href="http://contentservices.tourismpartners.com/api/documents/6HAazLLjQ0KgRMOWiZ5TUQ/download">http://contentservices.tourismpartners.com/api/documents/6HAazLLjQ0KgRMOWiZ5TUQ/download</a>  Of importance: advocacy, marketing opportunities, funding opportunities	Medium and long term – after a financial model has been approved and adopted, and large sections of trail development is in place



Target	Intended message	Delivery	Timeframe
<b>Regional Tourism Organizations</b>	Positioning the off-road vehicle sector as a significant part of Ontario's tourism economy.	<a href="http://www.mtc.gov.on.ca/en/regions/regions.shtml">http://www.mtc.gov.on.ca/en/regions/regions.shtml</a> Identifying RTO's with significant trail infrastructure and meet with Executive Director's for each RTO. Of importance: marketing opportunities, funding opportunities, cross region collaboration.	Medium and long term; ongoing
<b>Provincial, regional &amp; local media outlets</b>	Recreational trail systems as a significant tourism attraction in Ontario. World-class trail systems with excellent amenities.	<ul style="list-style-type: none"> <li>▪ Sector publications</li> <li>▪ Social Media</li> <li>▪ Provincial publications, websites and social media outlets</li> <li>▪ Sector trade shows</li> <li>▪ Local media and DMO's</li> </ul>	Medium and long term; ongoing

### Model B – Mandatory Universal Pass

A universal pay-to-play-styled system uses a pass or permit that is bought by an owner/rider as a shared contribution for the privilege of riding in certain prescribed areas. The passes would be sold directly through the RTCO, who would set the funding flow model for the sector. The approach to administration could be the same as for a legislated permit in the event that RTCO uses a similar model to OFSC.

The benefits of this revenue stream include:

- Funds seen going back to the sector for the direct or indirect benefit of the riding public.
- Can be implemented earlier than a model that demands Government legislation.
- Passes sold directly through RTCO ensure the effective, accountable, and transparent administration of funds through a single source.
- The assurance that funds are only spent in one of five approved areas:
  - Power sports recreation and tourism product development, infrastructure, and maintenance
  - Governance, administration, and human resources
  - Safety and environmental programs
  - Advocacy, marketing, fundraising, and partner development
  - Internal and external communications

The figure below outlines the key outreach audiences for advocacy concerning a universal pass system.



Figure 15: Strategic Communications Outreach Regarding Universal Advocacy

Target	Intended message	Delivery	Timeframe
<b>Ministry of Tourism, Culture &amp; Sport</b>	ORV tourism and trail development contribute significantly to Ontario's economy. The RTCO can contribute to the new tourism strategy being created for the Province.	Minister of Tourism, Culture & Sport recently (October 23 <sup>rd</sup> ) announced the development of a new tourism strategy for the province. RTCO must provide input and direction on the new strategy. <a href="https://news.ontario.ca/mtc/en/2018/10/ontarios-government-for-the-people-strengthening-tourism-sector.html">https://news.ontario.ca/mtc/en/2018/10/ontarios-government-for-the-people-strengthening-tourism-sector.html</a>	Short-term – meeting with Ministry staff should be set up as soon as possible
<b>Partners, Clubs and Associations</b>	The RTCO will implement and administer a pay to play pass system across the province for ORV's. The RTCO funding flow model will ensure that funds are going to one of five key areas critical to the sector.	Meetings and presentations to clubs and associations to explain full benefits and proposed model for a pay to play pass system in Ontario.  Printed materials and a website for partner information.	Short to medium term – as soon as pay to play system has been elected funding model of choice; ongoing
<b>Power sports enthusiasts, vehicle dealers, general public</b>	Off road vehicle/power sports riding in Ontario plays a significant role in our tourism sector. One organization acting as lead on funding, advocacy, standards, and liabilities best serves the owner/rider.	Sector publications  Social Media  Provincial publications, websites and social media outlets  Sector trade shows  Local media and DMO's	Medium and long term, ongoing
<b>Destination Ontario</b>	Positioning the off-road vehicle sector as a significant part of Ontario's tourism economy.	Contact the Director, Partnerships and Regional Relations, Destination Ontario  <a href="http://contentservices.tourismpartners.com/api/documents/6HAazLLjQ0KgRMOWiZ5TUQ/download">http://contentservices.tourismpartners.com/api/documents/6HAazLLjQ0KgRMOWiZ5TUQ/download</a>  Of importance: advocacy, marketing opportunities, and funding opportunities	Medium and long term – after a financial model has been approved and adopted, and large sections of trail development is in place





Target	Intended message	Delivery	Timeframe
<b>Regional Tourism Organizations</b>	Positioning the off-road vehicle sector as a significant part of Ontario's tourism economy.	<a href="http://www.mtc.gov.on.ca/en/regions/regions.shtml">http://www.mtc.gov.on.ca/en/regions/regions.shtml</a> Identifying RTO's with significant trail infrastructure and meet with Executive Director's for each RTO. Of importance: marketing ops, funding ops, cross region collaboration	Medium and long term; ongoing
<b>Provincial, regional and local media outlets</b>	Recreational trail systems as a significant tourism attraction in Ontario. World-class trail systems with excellent amenities.	Sector publications Social Media Provincial publications, websites and social media outlets Sector trade shows Local media and DMO's	Medium and long term; ongoing

## Internal Communications

Internal Communications within the RTCO will be critical as the organization evolves. Each partner organization must have a clear understanding, and agree with the funding model, the partner payment transfer plan, and the approved funding activities.

The Board of Directors must operate in an open, transparent system ensuring full partner participation in the decision-making process.



## Sector Relationship Management

Review of the existing market ecosystem in the catchment area and affirmation of the RTCO's unique value proposition and ability to enhance the market or fill existing gaps.

Figure 16: Interrelationships in the Power Sports Sector

Actor	Relationship to Trails Sector	Relationship to Organization
<b>Ontario Federation of Snowmobile Clubs</b>	Coordinating body for snowmobiling in Ontario with 217-member clubs. Does Top A trail planning, issues permit, offers guidance to clubs on array of topics including safety, environment and insurance	<ul style="list-style-type: none"> <li>▪ Best case model for proposed legislated permit system</li> <li>▪ Advocate for organized trail systems in Ontario and advisory resource</li> <li>▪ Some trails are shared across RTCO-member and OFSC systems</li> </ul>
<b>ATV Ontario</b>	Offers PowerPass Ontario for trail riding in 5 partner communities. Markets the largest ATV trail system in the province of Ontario.	<ul style="list-style-type: none"> <li>▪ Welcomes all partnership opportunities</li> <li>▪ Has a partnership with Ontario Tourism Marketing Partnership Corporation (Destination Ontario) that can benefit RTCO</li> <li>▪ Resource for shared-use trail tourism in Ontario</li> </ul>
<b>Ontario Federation of ATV Clubs</b>	Resource to 13-member clubs. Strengthens public opinion of member clubs.	<ul style="list-style-type: none"> <li>▪ Potential model for funding flows</li> <li>▪ Marketing partner</li> <li>▪ Advocate for trail systems and ally for lobbying provincial government</li> </ul>
<b>Ontario Federation of 4WD Recreationists</b>	Protect public land access for all Ontarians. Promote true shared-use trail systems. Represent 3,000 km of trails and forest access roads.	<ul style="list-style-type: none"> <li>▪ Advocate for public land access and resource for land use agreements</li> </ul>
<b>Canadian Off-Highway Vehicle Distributors Council</b>	Representing member companies that sell off-highway vehicles. Education and training of the public with regards to off-highway vehicles.	<ul style="list-style-type: none"> <li>▪ Potential marketing partner and distribution point for information</li> <li>▪ Link between coalition and owners/riders</li> </ul>
<b>Park to Park Trail Association</b>	Multi-use trail system connecting 4 regions and 2 provincial parks (Killbear and Algonquin)	<ul style="list-style-type: none"> <li>▪ Resource for multi-use trails</li> <li>▪ Model for a pass system shared with EOTA</li> </ul>



Actor	Relationship to Trails Sector	Relationship to Organization
<b>Eastern Ontario Trails Alliance</b>	Network of 2,700 km of shared-use trails across 25 municipalities in Eastern Ontario and Huron, Grey, and Bruce Counties. Produces regional trails maps, brochures, signage and advertising, and ensures all advertising drives users to a central website for trails information, maps, packages and permit purchases.	<ul style="list-style-type: none"> <li>▪ Best practice in development, maintenance and marketing</li> <li>▪ Tourism-oriented in addition to member driven to create economic benefits and jobs</li> <li>▪ Model for universal pass system</li> <li>▪ Advocate for collaboration, legislated permit and/or universal pass</li> </ul>
<b>Ontario Ministry of Tourism, Culture and Sport</b>	Financial support for trail building projects and planning and marketing trails projects	<ul style="list-style-type: none"> <li>▪ Funding source for trail development</li> <li>▪ Can support, advocate sector recognition</li> <li>▪ Currently developing a tourism strategic plan for the province</li> <li>▪ Assist with market research, product development, marketing</li> </ul>
<b>Ontario Ministry of Food, Agriculture and Rural Affairs</b>	No specific relationship, but has funded trails-related projects in the past through Rural Economic Development Fund.	<p>RED funding program to:</p> <ul style="list-style-type: none"> <li>▪ Implement sector development plans; diversify the local economy; undertake marketing and branding activities</li> </ul>
<b>Ontario Ministry of Natural Resources</b>	Supports outdoor recreation opportunities. Manages Crown land in Ontario through the Public Lands Act.	<ul style="list-style-type: none"> <li>▪ Support for economic and social development</li> <li>▪ Partner in crown land access and use</li> <li>▪ Forestry steward and land use planning</li> <li>▪ Manages Crown land in Ontario through the <i>Public Lands Act</i></li> </ul>
<b>Ministry of Transportation of Ontario</b>	Issues permits for off-road and motorized snow vehicles in Ontario.	<ul style="list-style-type: none"> <li>▪ Enforces the <i>Off-Road Vehicles Act</i>. Lobbying opportunity</li> <li>▪ Proven success with the OFSC in Ontario</li> </ul>
<b>Hydro Companies</b>	Allows riding on certain corridors throughout the province.	<ul style="list-style-type: none"> <li>▪ Hydro One administers the Provincial Secondary Land Use Program for hydro corridors</li> <li>▪ Potential funding source</li> </ul>
<b>Municipalities</b>	Designate areas where off road vehicles are allowed.	<ul style="list-style-type: none"> <li>▪ Work with closely to allow for trail development and land use agreements</li> <li>▪ Partner in marketing and promotion</li> <li>▪ Ally and advocate for the development of trails</li> </ul>



# Strategic Plan and Risk Management Plan

This Section presents the RTCO’s Strategic Plan for the first five years of operations, followed by a risk management framework to allow for contingency planning.

## Five-year Strategic Plan

A series of Strategic Objectives were identified in the Organizational Structure and Objectives chapter, and these are revisited in this chapter. Before these are expanded into a series of supporting goals and actions, some time is spent specifically focussing on governance and the needed goals and actions to support a robust organization from a Governance perspective. Timing is based on a four-point priority scale consisting of the following:

- Immediate (as soon as possible within 1 to 3 months or 3 to 6 months, as indicated)
- Year 1
- Year 2-3
- Year 4-5

The timeframe is used to indicate by which period a given task must be completed. In some special circumstances certain actions have specific time-limits identified, such as those related to legislated requirements. In addition, performance measurement tools are provided to assist in progress evaluation.



## Governance

The following framework is presented to instruct the Governance components of RTCO’s Board and Executive.

**Figure 17: Goals and Actions Pertaining to Governance**

Goal/Actions	Timing	Performance Measure
<b>Goal 1: Achieving Incorporation and Board Creation</b>		
Nominate an incorporation committee to assist with incorporation process	1-3 months	Task completed
Appoint an individual to undertake the incorporation process	1-3 months	Task completed
Identify interim financial backers to leverage incorporation costs	1-3 months	Task completed
Complete incorporation	3-6 months	Task completed
<ul style="list-style-type: none"> <li>▪ First Meeting of Members called</li> <li>▪ Board and Executive are elected from membership</li> </ul>	3-6 months	Meeting called Number of members present Board elected Executive elected
Board of Director is convened and a meeting schedule is defined	3-6 months	Directors Secured Acting-Executive appointed
Develop the first set of organizational bylaws, which include an organizational constitution or charter and code of ethics	Within 60 days of incorporation	Task Completed
<b>Goal 2: Organizing Sub-Committees and the Advisory Committee</b>		
Develop a sub-committee structure composed of Board members to address oversight of specific aspects of the organization, and arrange meeting schedules	3-6 months	Task Completed Committees named and appointees identified
The Board defines the scope of the Advisory Committee	3-6 months	Task completed Scope defined
Convene an Advisory Committee and determine a meeting schedule	3-6 months	Members secured Meeting schedule specified



Goal/Actions	Timing	Performance Measure
<b>Goal 3: Coordinating Preliminary Staffing</b>		
Secure seed funding from contributions to employ an Executive Director and assistant	1 year	Amount of funding secured
Define Executive Director job-role and key performance indicators, and job description for Executive Assistant	1 year	Roles defined
Hire the Executive Director	1 year	Hiring Complete Probationary evaluation completed (6 months)
Hire a part time Executive Assistant	1 year	Hiring completed
Work with Executive Director to define other job roles as required	1 year	n/a
<b>Goal 4: Implementing Oversight Mechanisms</b>		
Develop a schedule for reporting from Executive Director	3-6 months	Schedule complete
Develop a schedule and methods for Advisory Committee and sub-committee reporting	3-6 months	Schedule complete
Choose a date for the first Annual General Meeting (AGM) and outline roles and responsibilities for AGM preparation and reporting	Within 18 months of incorporation	AGM committee convened Milestones identified Milestones met
Host first AGM and subsequent AGMs	Within 18 months of incorporation	AGM completed
Develop schedule for preparing audited financial statements (note: this is just the schedule, not the due date for the statements themselves)	1 year	Schedule completed
Process Audited Financial Statements	According to Government timing	Balance sheet and cashflow statements are net-positive
<b>Goal 5: Developing Key Governance Protocols</b>		
Develop a Crisis Management Plan that identifies key risks, including personal injury or harm; plan is revisited annually to ensure it is current	Year 1	Task completed Update completed
Develop a branding and communications protocol, which guides the appropriate use of brands and outreach methods (this should include an official brand)	Year 1	Task completed
Develop a 5-year marketing strategy	Year 1	Task complete



## Strategic Operations

Chapter 2 identified four strategic objectives for RTCO, which are:

- **Objective #1: Advocating for a Better Future**
- **Objective #2: Asset and Product Excellence**
- **Objective #3: Growing a Recreational and Tourism Economy**
- **Objective #4: Rider Safety and Environmental Stewardship**

For each of these a framework has been developed that includes supporting goals and actions, accompanying timelines, and performance measures. The framework is presented in the same way as for the Governance considerations above.

**Figure 18: Objective #3 – Advocating for a Better Future**

Goal/Actions	Timing	Performance Measure
<b>Goal 1: Register the corporation with the Lobbyists Registry</b>		
Identify and follow the necessary steps to register Recreational Trails Coalition Ontario according to the Ontario Lobbyists Registry, as per the <i>Lobbyists Registration Act, 1998</i> . <sup>10</sup>	3-6 months	▪ Task complete
<b>Goal 2: Advocate for a Legislated Permit Model</b>		
Identify the economic impact of trails sector <ul style="list-style-type: none"> <li>▪ Demonstrate existing economic impact of the sector via results of this business plan</li> <li>▪ Demonstrate the potential to grow economic impact based on increases in user and tourism spending</li> <li>▪ Publish results on social media and website</li> </ul>	▪ Year 1	<ul style="list-style-type: none"> <li>▪ Task complete</li> <li>▪ Task complete; social media response measured</li> </ul>

<sup>10</sup> See Office of the Integrity Commissioner, Ontario: <http://www.oico.on.ca/home/lobbyists-registration/lobbying-activity>



Goal/Actions	Timing	Performance Measure
<p>Advocating the Permit</p> <ul style="list-style-type: none"> <li>▪ Develop a pitch deck outlining the economic impact, the two different legislated permit models (Service Ontario-Administered and RTCO-Administered), and value proposition for implementing the preferred model. Be open to negotiating either model.</li> <li>▪ Arrange meetings with local politicians, municipal leaders, regional organizations such as the Eastern Ontario Warden’s Caucus, and pertinent Ministers and their senior directors.</li> </ul> <p>Tip: Senior Directors make good gate keepers; while leverage is being placed on the appropriate minister, ensure the value-proposition is also communicated to the Minister’s most likely advisor</p>	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task complete</li> <li>▪ Number of meetings arranged and temperature of reception</li> </ul>
<p><b>Goal 3: Advocate for sustained access to crown lands, forested areas and utility corridors</b></p>		
<p>Work with the Advisory Committee to understand potential policy shifts:</p> <ul style="list-style-type: none"> <li>▪ Continue to ensure Ministry of Natural representatives on Advisory Committee share policy updates that may impact RTCO’s users</li> </ul>	<ul style="list-style-type: none"> <li>▪ ongoing</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
<p>Work productively with Utility providers, particularly, Hydro-One</p> <ul style="list-style-type: none"> <li>▪ Identify a key point of contact at Hydro-One and any other identified utility provider that stands to have a potentially large impact on trail users</li> <li>▪ Communicate with point of contact at least quarterly or as needed to reciprocally identify challenges or concerns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contact identified</li> <li>▪ Challenges identified</li> </ul>





Figure 19: Objective #2 – Asset and Product Excellence

Goal/Actions	Timing	Performance Measure
<b>Goal 1: Develop a redistribution methodology for member-sectors</b>		
Develop a redistribution model agreed upon by the membership	<ul style="list-style-type: none"> <li>Year 1</li> </ul>	<ul style="list-style-type: none"> <li>Model completed</li> </ul>
Implement the model, and report on redistribution transparently among members	<ul style="list-style-type: none"> <li>Year 2-3</li> </ul>	<ul style="list-style-type: none"> <li>Model implemented</li> <li>Reporting complete</li> </ul>
<b>Goal 2: Develop a Special Projects Fund</b>		
Working with the Board, develop a special projects fund, including its, scope, application process and criteria, and approvals process	<ul style="list-style-type: none"> <li>Year 1</li> </ul>	<ul style="list-style-type: none"> <li>Task complete</li> </ul>
Implement the Special Projects Fund	<ul style="list-style-type: none"> <li>Year 1, or Year 2-3 (depending on model in place)</li> </ul>	<ul style="list-style-type: none"> <li>Projects funded</li> <li>Social media response</li> </ul>
<b>Goal 3: Develop Pilot Projects for Alternative Revenue Generation</b>		
Undertake a signage pilot project to determine the potential return on investment and costing for displaying advertisement signage on trail assets.	<ul style="list-style-type: none"> <li>Year 1</li> </ul>	<ul style="list-style-type: none"> <li>Study Complete</li> <li>Decision rendered</li> </ul>
Undertake a banner-add feasibility study to understand revenue generation potential associated with banner or other advertisement generated revenue for content advertised on RTCO’s website	<ul style="list-style-type: none"> <li>Year 1</li> </ul>	<ul style="list-style-type: none"> <li>Study Complete</li> <li>Decision rendered</li> </ul>



Figure 20: Objective #3 – Growing a Recreational and Tourism Economy

Goal/Actions	Timing	Performance Measure
<b>Goal 1: Increasing the number of trail users year-over-year</b>		
Implement a Universal Pass Model: <ol style="list-style-type: none"> <li>1. Formalize the fee structure (early-bird, regular, period-specific permits, etc. for each type of activity)</li> <li>2. Formalize the method of redistribution based on a consensus model agreed upon by the membership</li> <li>3. Develop and implement branding and marketing</li> <li>4. Implement the permit payment system</li> <li>5. Redistribute funding to member groups in method agreed-upon in step 2, minus amounts retained for RTCO-use</li> </ol>	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task complete</li> <li>▪ #, type, sector of permit; \$ value; measured year-over-year; # of returning members</li> </ul>
Implement Legislated Permit Model: <ol style="list-style-type: none"> <li>1. Follow advocacy steps outlined in Strategic Objective #1</li> <li>2. Formalize the method of redistribution based on a consensus model agreed upon by the membership</li> <li>3. Develop and implement branding and marketing</li> <li>4. Discontinue Universal Pass system</li> <li>5. Implement the permit payment system</li> <li>6. Redistribute funding to member groups in method agreed-upon in step 2, minus amounts retained for RTCO-use</li> </ol>	<ul style="list-style-type: none"> <li>▪ Year 2-3</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task complete</li> <li>▪ #, type, sector of permit; \$ value; measured year-over-year; # of returning members</li> </ul>
<b>Goal 2: Develop targeted marketing and awareness building</b>		
Develop a marketing campaign implemented targeting existing trail users: <ul style="list-style-type: none"> <li>▪ Develop marketing materials</li> <li>▪ Implement campaign</li> </ul>	<ul style="list-style-type: none"> <li>▪ Year 1</li> <li>▪ Year 2-3</li> </ul>	<ul style="list-style-type: none"> <li>▪ Materials complete</li> <li>▪ # of users, by type; view-to-purchase ratio</li> </ul>



Goal/Actions	Timing	Performance Measure
<p>Develop marketing targeting out-of-province visitors:</p> <ul style="list-style-type: none"><li>▪ Develop marketing materials including online social media banners and video-clips</li><li>▪ Implement campaign</li></ul>	<ul style="list-style-type: none"><li>▪ Year 1</li><li>▪ Year 2-3</li></ul>	<ul style="list-style-type: none"><li>▪ Materials complete</li><li>▪ # of visitors, by type; view-to-purchase ratio</li><li>▪ TREIM Model completed annually</li></ul>



**Figure 21: Objective #4 – Rider Safety and Environmental Stewardship**

Goal/Actions	Timing	Performance Measure
<b>Goal 1: Enhance rider safety knowledge building</b>		
Collect a series of best practices related to rider safety pertinent to each type of sector and display on appropriate website page	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task Complete</li> <li>▪ Number of hits</li> </ul>
Develop print-materials in conjunction with respective federations for distribution at club locations and other venues	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task Complete</li> </ul>
Monitor incidence rates and tailor awareness marketing according to observed trends	<ul style="list-style-type: none"> <li>▪ Year 1 (ongoing)</li> </ul>	# of incidents, trend over time
<b>Goal 2: Enhance environmental stewardship</b>		
Allocate a portion of Special Projects Fund to be dedicated to stewardship or restorative measures	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Projects approved</li> <li>▪ Funding allocated</li> </ul>
Develop awareness building campaigns featuring best practices in minimizing harm to property, land and wildlife, to be revisited annually	<ul style="list-style-type: none"> <li>▪ Year 1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Campaign framework complete</li> <li>▪ Page visits</li> <li>▪ Social media response</li> </ul>



## Risk Management Plan

A plan for risk management has been developed so that RTCO can be proactive in risk mitigation and reduction. liability and others identified in the RFP or that arise during research/engagement. The framework on the next page addresses a variety of potential risks and presents some mitigative solutions for them.

**Figure 22: Risk Management Framework**

Identified Risk or Challenge	Mitigative Solutions
Frivolous lawsuits; shotgun approach applied by legal profession.	Clear and unambiguous informed consent. Informed consent part of permit/pass process. Adequate insurance coverage – minimum of \$10M
Occupier’s Liability Act	Plan to lobby provincial gov’t to protect recreational associations and mitigate exposure. Special attention to sections 3 and 4 of Act – relevant to Duty of Care. Must have strong legal advice on RTCO’s level of duty of care.
Liability under land-use agreements	Look to indemnification clause that OFSC uses for land use agreements and those of existing members.
Duty of Care	Well-documented procedures. Detailed list of who is responsible for what and at what time of year. Clear and concise wording in all agreements. Legal advice on which level of duty of care is applicable. Inspections are critical. Consistent signage throughout system.
Lobbying the provincial government to amend the ORV Act to allow for legislated permits.	Garner support for amendments from other provincial, regional and municipal partners. Request meeting with Minister of Transportation to discuss importance of sector for province’s economy.
Resistance from local clubs selling passes/permits.	Clear, concise and transparent funding and flow model to show direct benefit to organizations.
Sector not being seen as critical to Ontario’s economy	Ensure input into province’s new tourism strategy. Meet with Ministry of Tourism, Culture & Sport Estimate annual impact of tourism from the sector using OMAFRA’s Tourism-Related Economic Impact Model



Identified Risk or Challenge	Mitigative Solutions
Funding for infrastructure development	Look at funding programs across all federal, provincial and local agencies.
<p>Non-signed, unmapped trails cannot be promoted.</p> <p>Messaging to smaller clubs is insufficient to show benefits of one governing body.</p>	<p>Proactive education plan to introduce new system to clubs and orgs, clearly stating benefits.</p> <p>Clear, concise and transparent funding flow model.</p>
Owner/rider confusion as to where to ride/what are the rules.	<p>One main source for trail maps, info, signage standards, etc.</p> <p>Legislated permit and universal pass models each would make this clearer through joint mapping exercises with all members and stakeholders</p> <p>Buy-in from clubs to use main source and aid with marketing and promotion.</p> <p>Consistent messaging to owners/riders.</p>
Municipal resistance to land-use agreements and or allowing ORV in jurisdictions.	<p>Clearly defined indemnification clauses; examples exist among existing membership.</p> <p>Solid portrayal of economic impact of ORV/Powersports tourism.</p> <p>Best-case best practices in other jurisdictions.</p>



## Appendices



# Appendix A – Case Studies in Trails Permit Systems

## Fédération des clubs de motoneigistes du Québec & Fédération Québécoise des clubs quads

Quebec's off-road vehicle systems are run by two distinct but similar club federations, Fédération des Clubs Motoneigistes de Québec (FCMQ), and Fédération Québécoise des Clubs Quads (FQCQ), that represent snowmobile and quad trail clubs throughout the province respectively.

### Key Activities

- Produces resources: maps, trail information, hotels & service guide, magazine, online information services
- Government lobbying
- Management of financial assistance programs
- Enforcement of Acts and Regulations
- Links with Partners
- Communications
- Management of trail permits

The FCMQ and FQCQ maintain partnerships with private sector organizations and the Province of Quebec that assist with marketing and promotion activities in tourism markets. **Notably, the FCMQ and the FQCQ are partnered with Intact Insurance to provide individual civil liability insurance coverage to riders.** The purchase of a trail permit with either of these federations will include the cost of liability insurance coverage for the individual, and a contribution toward liability insurance for the individual club that the rider has joined. **Individuals have the option to opt out of the insurance policy if they carry their own.**

To obtain a permit, a rider may purchase online through the federations' respective websites, through their local club, or at partnering sporting goods stores.

### Relevant Legislation

The Quebec Off-Road Vehicle Act is the primary law that regulates off-road vehicle clubs and the trails they oversee. **The Act states that clubs may develop and operate trails on land in the private domain, on Crown land with permission from the relevant Ministry that oversees that land, and in cases where trails cross roads, with permission from the authority responsible for maintenance of that road. The act authorizes clubs to collect payment for access to trails.**

Under this act, clubs are required to develop, sign and maintain the trails they operate, and shall ensure safety of these trails. Clubs are also required to ensure compliance to provisions of the Act through





volunteer trail surveillance officers.

With regard to insurance requirements, the act states that **“Every off-road vehicle club that builds or operates a trail must annually subscribe to a liability insurance policy of at least \$ 2,000,000.”** The act also protects private landowners who allow clubs to maintain trails on their property from liability **“unless such damage results from the intentional fault or gross fault of that owner or lessee.”**<sup>11</sup>

The onus is on the individual to register their off-road vehicle with the Province of Quebec, to hold civil liability insurance of at least \$500,000 and to wear appropriate safety gear, which is identified in the regulations.

## Funding

The FCMQ and FQCQ generate revenue through permit sales. Trail permit fees are distributed in the following manner according to FCMQ:

“On a 2018-2019 annual trail permit sold before December 9th at \$325, your money is distributed in the following manner:

- \$42.60 \$1 million liability insurance coverage for snowmobiler
- \$21.40 \$10 million liability insurance coverage for club
- \$33.99 Federal and Provincial taxes
- \$166.01 remitted to club
- \$61.00 remitted to FCMQ

The portion remitted to the FCMQ, that is \$ 61.00 per annual trail permit sold (18.8%), is redistributed as follows:

- \$ 4.00 is transferred to Motoneige Québec magazine to help cover postage fees;
- \$ 2.00 goes into a fund dedicated to promotion and communication;
- \$ 10.00 goes into a fund dedicated to trails;
- \$ 4.00 goes into a fund dedicated to clubs having a longer than average grooming season;
- \$ 1.00 goes into a fund dedicated to volunteer recognition;
- \$ 14.00 goes into a fund dedicated to trail groomer acquisitions;
- \$ 5.00 goes into a fund dedicated to clubs services (agents de liaison)
- \$ 21.00 is used to fund the Federation’s ongoing operations”<sup>12</sup>

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<sup>11</sup> *Off-Road Vehicle Act* V-1.2 c. 3 s 15.

<sup>12</sup> Fédération des clubs de Motoneigistes de Québec. “Trail Permit: Informations.” <https://fcmq.qc.ca/en/trail-permit/informations/>



Revenue is also generated through private sector partnerships, and through government grant assistance.

### Insurance

Clubs in Quebec are required by law to hold a liability insurance policy of \$2,000,000. Individuals who own off-road vehicles are required by law to hold civil liability insurance of \$500,000. Both the FCMQ and FQCQ maintain partnerships with Intact Insurance that integrate civil liability insurance into the individual's permit purchase.

### Enforcement

Enforcement of permits, safety and insurance coverage is enforced primarily by volunteer Trail Wardens. To become a volunteer trail warden, an individual can register through their local club and must complete a course. The trail warden system is a 2-tier system, where trail wardens who have volunteered for 2+ years can apply to be a Provincial Warden, who oversee trails throughout the province.

In the case of the FCMQ, a partnership with Arctic Cat has supplied some trail wardens with snowmobiles to monitor trails.

### Lifespan of Organization & Program

The FCMQ was established in 1974. They began selling insurance with permits in 2000. The section of the Off-Road Vehicle Act that authorized clubs to collect payment of access to developed trails was enacted in 2006.

## Michigan Department of Natural Resources – Parks and Recreation Division

The Michigan OHV (Off-Highway Vehicle) program is managed by the Michigan Department of Natural Resources – Parks and Recreation Division. The Department is charged with maintaining natural resources such as state parks, forests and recreation areas. The department sells OHV permits, which individuals can purchase online.

### Key Activities

- Maintenance of trails, camp grounds
- User fees
- Law enforcement on trails

The DNR collaborates with local governments, non-profits, foundations and volunteers to maintain its trail system. There are 57 “grant sponsor” organizations – local organizations and clubs that receive grant funding from the DNR to maintain trails and build decks – throughout Michigan.

The DNR manages roughly **3,600 miles of designated ORV trails, and 6,000 miles of snowmobile trails.** The **Michigan Trails Advisory Council** advises the DNR on creation, development, operation and



maintenance of motorized and nonmotorized trails in the state, including snowmobile, biking, equestrian, hiking, off-road vehicle and skiing trails. The Council has four subcommittee working groups that advise on specific types of trails. In this case, the off-road vehicle advisory working group and the snowmobile advisory working group advise on relevant trails.

The DNR's 2018 budget was \$409 million, and the Parks and Recreation Division's department is \$94.7-million. It is funded by a variety of revenue sources, such as sales of **Recreation Passports**, boat registrations, snowmobile trail stickers, off-road vehicle license fees and trail stickers, and camping fees collected at state parks and forest campgrounds.<sup>13</sup>

## Relevant Legislation

**Michigan Public Act 451, Section 811** is the key piece of legislation that governs off-road recreation vehicles, licensing, trail clubs and grant funding disbursement in Michigan. It stipulates that **all monies in the Department's "off-road vehicle account" acquired from ORV registrations should go to trail maintenance, signage, and improvements. It defines the grant process and eligibility of organizations to whom that money can be distributed.** Organizations that receive grant funding to maintain trails must be using the grant funding for routes or areas that are designated for ORV use and **must include a restoration plan** for any damages done to the trails through ORV use.

ORV owners in Michigan are not required to carry a license for their ORV. Technically, riders are required to register their vehicles with the Secretary of State, but registrations are not enforced and many are not. **All that is required to use Michigan ORV trails is an ORV sticker issued by the DNR.**

## Funding

The OHV program is funded through three sources, though revenue is generated mainly through permit sales. Permits generate approximately \$7 million in funding for OHV trails. The other two major sources of funding are the Recreational Trails Program, a federal program that acquires money through federal gasoline taxes; and the Recreation Improvement Fund, which is a State program which receives funding through fuel taxes paid by off-road vehicle users and motor boats.

**The sticker permit system is currently a two-sticker system. A \$26.25 permit sticker allows travel on county forest roads (which are only open to usage if the specific County allows on a case-by-case basis). A \$10 permit/sticker allows travel on trails.**

**This past year they sold approximately 241,000 \$26.25 stickers and 187,000 \$10 stickers.** The funds are distributed as follows;

- \$0.25 goes to the merchant or club that sells each sticker(s)
- **3.25% goes to the DNR for admin**
- **50% must be spent on the ground for trail maintenance, grooming, signage, etc through grants.**
- 31.25% must be spent on law enforcement

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<sup>13</sup> Gwizdz, Bob. "Figuring out the DNR's budget." Michigan Department of Natural Resources. February 22, 2018.



- **12.5% is dedicated for trail restoration (damage done by ORVs on state and federal land). This includes some grading.**
- The remainder is left in a float for maintenance or Law Enforcement.

## Insurance

Individuals who own ORV's in Michigan are not required to carry civil liability insurance. However, the 57 grant sponsor clubs that maintain the trails are required to have \$2,000,000 in insurance coverage for their trails.

It is rare that trail maintenance clubs are found liable for personal injury to riders; lobbying from clubs has resulted in legislation that protects clubs from liability.

## Lifespan of Organization

The original Public Act that oversaw OVR use was enacted in 1975.

The largest grant sponsor organization of trail maintainers, the Cycle Conservation Club, was founded 50 years ago in 1968 and lobbied to have trails in the Upper Peninsula opened for ORV use. In 1975 their lobbying was instrumental to the development of the sticker system to ride Michigan trails.

## Ontario Federation of Snowmobile Clubs (OFSC)

The Ontario Federation of Snowmobile Clubs is a regional volunteer-based, non-profit organization that represents 231-member snowmobile clubs that maintain 39,000 km of snowmobile trails throughout Ontario. It provides leadership to member organizations to “enable exceptional snowmobile trails and rider experiences throughout the province.”

Individuals seeking snowmobile permits to access the trail system can purchase **permits online from the OFSC website exclusively.**

### Key Activities

- Marketing projects
- Providing advice to local clubs
- Lobbying
- Managing permit system & permit revenue
- Funds Driver Training Program
- Purchase of trail groomers & other trail equipment
- Holds blanket insurance policy for member clubs

The OFSC partners with private sector sponsors, and recently with the Ontario government to deliver marketing programs.



## Relevant Legislation

Snowmobiling in Ontario is regulated by the **Ontario Motorized Snow Vehicles Act**, R.S.O. 1990, c. M.44. The Act was changed in 2001 at the behest of OFSC lobbying to make it mandatory for most recreation snowmobiles accessing OFSC trails to display a valid permit.

The permits are issued through the Ministry of Transportation and the OFSC through a contractual agreement and are the exclusive retailers of the permits.

The act states that snowmobiles can only be driven in Ontario without a permit on one's own private property. Snowmobiles are registered with the Province at the initial point of sale, and drivers must hold a valid Ontario driver's license.

## Funding & Revenue Streams

The OFSC's primary revenue source is permits sales. 2018/19 season permits cost users \$190.00 + a \$7.50 processing fee in early bird pricing, and inflate to \$270.00 during the on-season. The OFSC sold over 100,000 registered permits in 2005<sup>14</sup>, and that number of permit sales has presumably increased since those early times. Snowmobiling was estimated to result in approximately \$850 million in economic impacts in Ontario, including the creation of 11,307 jobs (direct and indirect) and over \$332 million in taxes<sup>15</sup>.

**Other revenues have come from government grants for activities such as marketing and trail maintenance, and club membership fees.**

## Insurance

Insurance on individual snowmobiles is mandatory in the Province of Ontario and they must be insured with third-party liability coverage of up to \$200,000, Statutory Accident Benefits Coverage, Direct Compensation – Property Damage Coverage, and Uninsured Automobile Coverage.<sup>16</sup>

**The local clubs are insured under the OFSC's general policy which provides liability coverage with limits of \$15 million.<sup>17</sup>**

## Lifespan of Organization

The OFSC has been in operation since 1967.

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<sup>14</sup> Ontario Federation of Snowmobile Clubs: "History." < <http://www.ofsc.on.ca/org/about/history>>

<sup>15</sup> Ontario Federation of Snowmobile Clubs, 2014, "The Economic Impact of Snowmobiling in Ontario," < <https://www.orangeville.ca/get-file/1447> >

<sup>16</sup> <[http://www.fsco.gov.on.ca/en/auto/brochures/pages/brochure\\_motorcycleins.aspx](http://www.fsco.gov.on.ca/en/auto/brochures/pages/brochure_motorcycleins.aspx)>

<sup>17</sup> Barzo, John. "Do you really want a snowmobile trail on your property?" Blog post. < <http://barzolaw.com/2014/12/11/do-you-really-want-a-snowmobile-trail-on-your-property/>>



## New Brunswick Federation of Snowmobile Clubs

The New Brunswick Federation of Snowmobile Clubs represents 50 volunteer-based local member organizations throughout the province.

Permits are mandatory to snowmobile on trails in New Brunswick since the 2000-2001 season. To obtain a snowmobile permit in the Province of New Brunswick, individuals can visit a Service New Brunswick location, or use the online form on the NBFSC website.

Permits are enforced by “peace officers,” that is, RCMP officers, conservation officers, police officers, and fishery officers, the off-road vehicle enforcement unit.

### Key Activities

The New Brunswick Federation of Snowmobile Clubs (NBFSC) is mandated to source funding for member organizations. Activities of the NBFSC include:

- Administers Trail Management Trust Fund dollars to clubs for maintenance, signage, infrastructure and equipment
- Advocacy & lobbying
- Economic impact studies
- Acts as resource to member clubs on relevant legislation, policies. Undertakes awareness campaigns on public safety
- Events
- Fundraising lottery
- Maintains trail maps, GIS tracking

### Relevant Legislation

The NBFSC is under the authority of the Off-Road Vehicle Act (Department of Tourism, Heritage and Culture), by means of a 10-year trail management agreement, May 2014.

### Funding & Revenue Streams

**Permit sales are the NBFSC’s main revenue stream. Member clubs also seek private donations and corporate sponsorships.** The federation receives financial support from the Government of New Brunswick through the Trail Management Trust Fund, Trail Infrastructure Fund, and the Trail Equipment Fund.

**The Trail Management Trust Fund is a reserve of monies collected by the Province from vehicle registrations.** \$25 of all vehicle registrations is paid into the fund, which is earmarked for trail development and maintenance. That money is paid out to the NBFSC annually and the NBFSC distributes that money to member clubs.

The NBFSC also utilizes ACOA programs through the federal government. The below is an excerpt of the NBFSC’s financial operations from their 2018 annual report.



Figure 23: Excerpt from New Brunswick Federation of Snowmobile Clubs Financial Operations, 2018

REVENUE	BUDGET	ACTUAL 2017	PERCENTAGE
Trail Permits (11 types)	\$1,985,750.00	\$2,471,755.00	68%
License/Registration Rebate	\$412,500.00	\$442,742.00	12%
Trail Groomer Grants	\$-	\$430,000.00	12%
Corporate Partnerships	\$70,000.00	\$158,100.00	4%
Provincial Lottery	\$25,000.00	\$29,169.00	1%
Interest Earnings	\$3,000.00	\$13,563.00	0%
Member Club Dues	\$10,000.00	\$10,000.00	1%
Signage	\$-	\$43,783.00	1%
Amortization	\$-	\$17,204.00	0%
Balance of Revenues	\$2,500.00	\$25,304.00	1%
	\$2,508,750.00	\$3,641,620.00	100%

EXPENSES	BUDGET	ACTUAL 2017	PERCENTAGE
Club Payouts (for Grooming & Signage)	\$1,520,278.44	\$1,816,013.00	53%
Club's Groomer Grants	\$-	\$430,000.00	13%
Club's Office Expenses & Staffing	\$315,771.56	\$325,106.00	9%
Club's Insurances Trail & Groomer Liability	\$125,500.00	\$117,175.00	3%
Club's Trail Signage & Operator Training, Education	\$36,000.00	\$81,714.00	2%
Club's Trail Permits & Service NB	\$81,000.00	\$93,629.00	3%
Club, Board, Government & Association Meetings	\$89,700.00	\$96,096.00	3%
Club's Maps & GIS Tracking	\$60,000.00	\$52,894.00	2%
Club's Corporate Partnerships	\$30,500.00	\$43,462.00	1%
Club's Reward Program	\$25,000.00	\$25,500.00	1%
Club's Land Leases	\$17,000.00	\$19,835.00	1%
Club's Lottery	\$17,000.00	\$30,385.00	1%
Club's Audit, Legal & Translation	\$33,000.00	\$20,045.00	0%
Mount Carleton Future Operations	\$25,000.00	\$25,000.00	1%
Clubs-Special Projects	\$100,000.00	\$121,170.00	4%
Depreciation	\$-	\$57,290.00	2%
Balance of Expenses	\$29,500.00	\$72,133.00	2%
	\$2,505,250.00	\$3,427,447.00	100%

Source: New Brunswick Federation of Snowmobile Clubs Financial Operations, Annual Report, 2018

## Insurance

The NBFSC holds a general 3<sup>rd</sup> party liability insurance policy that covers all trails in its member club network, which protects the clubs from liability should someone be injured on their trails. Vehicles must be registered and individuals must carry insurance if using maintained trails. The only scenario where an individual does not need insurance is if they are using their own snowmobile on their own private property.

**The NBFSC likely holds a similar insurance policy to the NBATVF, which holds a blanket insurance policy of up to \$5 million in coverage for member clubs.**

## Lifespan of Organization

The NBFSC has been in operation since 1982.



## New Brunswick All-Terrain Vehicle Federation

The New Brunswick All-Terrain Vehicle Federation (NBATVF) represents 55 local volunteer-based clubs throughout the province.

Permits are mandatory to use ATV trails in New Brunswick since the 2000-2001 season. Permit sales are different from the snowmobile federation in that the ATV Federation sells permits at the club level. To obtain an ATV permit in the Province of New Brunswick, individuals can visit a Service New Brunswick location, pay their fee directly to their local club, or permits can be purchased online at the NBATVF website.

For permit fees paid at the club level, the clubs keep permit fees for their own club and remit \$10+HST to the Federation. For fees paid at Service New Brunswick locations, individuals must specify which club they would like to contribute to so the club can be reimbursed.

Permits are enforced through the same channels as the snowmobile federation.

### Key Activities

Activities of the NBFSC include:

- Administers Trail Management Trust Fund dollars to clubs for maintenance, signage, infrastructure and equipment
- Advocacy & lobbying
- Economic impact studies
- Acts as resource to member clubs on relevant legislation, policies. Undertakes awareness campaigns on public safety
- Events
- Fundraising lottery
- Maintains trail maps, GIS tracking

### Relevant Legislation

The NBATVF is under the authority of the Off-Road Vehicle Act (Department of Tourism, Heritage and Culture), by means of a 10-year trail management agreement, May 2014.

### Funding & Revenue Streams

The NBATVF differentiates from its snowmobile federation counterpart in that its major sources of revenue are split 50/50 between permit sales and the Trail Management Trust Fund.

Clubs seek private donations and corporate sponsorships. The federation receives financial support from the Government of New Brunswick through the Trail Management Trust Fund, Trail Infrastructure Fund, and the Trail Equipment Fund.

The Trail Management Trust Fund is a reserve of monies collected by the Province from vehicle registrations. \$25 of all vehicle registrations is paid into the fund, which is earmarked for trail





development and maintenance. That money is paid out to the NBFSC annually and the NBFSC distributes that money to member clubs.

### Insurance

The NBATVF holds a general 3<sup>rd</sup> party liability insurance policy that covers all trails in its member club network with up to \$5 million in coverage for member clubs. Vehicles must be registered with the province, and individuals must carry insurance if using maintained trails. The only scenario where an individual does not need insurance is if they are using their own ATV on their own private property.

### Lifespan of Organization

The mandatory permit system has been in operation for managed ATV trails since January 1, 2013.

News Release Announcing the Trails Action Plan and Signature Trails, Government of New Brunswick, June 2, 2018. The Government commissioned a Trails Action Plan, and pledged \$15 million in support of its implementation, including the creation and marketing of a signature trails program that includes 11 trails.



10/27/2018

Investment of \$15.78 million in Trails Action Plan



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## News Release

Tourism, Heritage and Culture

### Investment of \$15.78 million in Trails Action Plan

02 June 2018

ST. STEPHEN (GNB) – The provincial government announced the New Brunswick Trails Action Plan today in St. Stephen, with an accompanying investment of \$15.78 million.

"The provincial government recognizes the importance of trails to economic development, particularly in rural areas, said Tourism, Heritage and Culture Minister John Ames. "Beyond yielding economic benefits, the Trails Action Plan will serve to enhance health and wellness for New Brunswickers."

The plan includes the development of 11 Signature Trails for multipurpose use, including motorized trails for ATV and snowmobile users, and greenway trails for hiking, cycling, and outdoor enthusiasts.

Signature Trails will focus upon product innovation with the intention of becoming tourism attractions which capture the province's distinctive heritage, rivers, waterways, views, and topography.

"We are thrilled to see this additional investment in our province's trails systems," said Ross Antworth, general manager of the New Brunswick Federation of Snowmobile Clubs and representative of the New Brunswick Trails Council. "New Brunswick's motorized and greenway trails have been one of the province's most overlooked assets for decades and we are excited to see their potential maximized through the Trails Action Plan."

Trails have increasingly become tourism products. With over 20,000 kms of developed trails in New Brunswick, the Trails Action Plan will elevate the province's trails systems by improving accessibility, safety and overall user experience.

The funding came from the Department of Tourism, Heritage and Culture's 2018-19 capital budget.

The New Brunswick Tourism Growth Strategy will invest \$100 million in tourism over the next eight years, with a goal of growing tourism-related GDP to \$2 billion by 2025. Tourism visitor spending is estimated at \$1.3 billion, making it the third-largest service sector in the province.

02-06-18

#### Media Contact(s)

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## Appendix B – TREIM Model Report



### **The Economic Impact of EOTA in RTO 11 in, 2013**

This report was generated by the Ontario Ministry of Tourism, Culture and Sport TREIM model.

Note: The Ministry of Tourism, Culture and Sport does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results.



## 1. Introduction

This report provides an estimate of the economic impact that EOTA is expected to have on Ontario's economy, in terms of Gross Domestic Product, employment and taxes generated. The analysis is based on the following information the user has provided to the MTC's Tourism Regional Economic Impact Model:

Number of Visitors for Activity (or Event) of Type National/Provincial Nature Parks

Origin	Same Day		Overnight	
	Total Number of Visitors	Percent of Visitors' Origin	Percent of Visitors' Origin	Average Length of Stay (nights)
Ontario	25,000	0.00%	0.00%	0
Rest of Canada	0	0.00%	0.00%	0
USA	0	0.00%	0.00%	0
Overseas	0	0.00%	0.00%	0
<b>Total</b>	<b>25,000</b>			

Given that the detailed breakdown of spending by the above visitors on category, such as transportation, accommodation, etc. is not available from the user, the TREIM utilized the average expenditure of visitors in RTO 11 with characteristics closest to those provided by the user from Statistics Canada's 2009 Travel Survey of Residents of Canada and the International Travel Survey to generate the detailed spending as followings ( in dollars ):

Travel Services	\$0
Public Transportation	\$65,965
Private Transportation - Rental	\$98,207
Private Transportation - Operation	\$1,214,670
Local Transportation	\$25,992
Accommodation	\$1,586,750
Food & Beverage - At Stores	\$896,336
Food & Beverage - At Restaurants/Bars	\$1,154,994
Recreation & Entertainment	\$449,562
Retail - Clothing	\$325,184
Retail - Other	\$151,320
<b>Total</b>	<b>\$5,968,979</b>



The user also has selected the following parameters:

- The visits take place in RTO 11 in 2013
- The impact is to be shown for RTO 11 and for Rest of Ontario
- Induced impacts of household spending are included
- Induced impacts of business investment are included
- The economic environment is as follows:

<b>Baseline</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Ontario Real GDP (%change)	-3.63%	3.20%	2.88%	3.26%	2.38%
Ontario CPI (%change)	0.37%	2.43%	2.25%	2.13%	1.53%
Ontario Population (%change)	1.02%	1.11%	1.15%	1.19%	1.33%
Ontario Unemployment Rate	9.04%	8.72%	8.32%	7.67%	7.43%
Government of Canada 3 month T-Bill Rate	0.35%	0.60%	1.72%	3.11%	3.46%



## 2. Summary of Findings

**Table 1. Economic Impacts of EOTA in RTO 11 in 2013 ( in dollars )**

	RTO 11	Rest of Ontario
<b>Total Visitors' Spending</b>	\$ 5,968,979	
<b>Gross Domestic Product (GDP)</b>		
Direct	\$ 2,423,904	\$ 0
Indirect	\$ 684,034	\$ 344,502
Induced	\$ 601,296	\$ 236,301
Total	\$ 3,709,234	\$ 580,803
<b>Labour Income</b>		
Direct	\$ 1,542,663	\$ 0
Indirect	\$ 455,907	\$ 237,544
Induced	\$ 367,231	\$ 158,766
Total	\$ 2,365,801	\$ 396,311
<b>Employment (Jobs)</b>		
Direct	49	0
Indirect	8	4
Induced	6	3
Total	63	7
<b>Direct Taxes</b>		
Federal	\$ 586,648	\$ 0
Provincial	\$ 598,288	\$ 0
Municipal	\$ 3,805	\$ 0
Total	\$ 1,188,741	\$ 0
<b>Total Taxes</b>		
Federal	\$ 979,863	\$ 115,952
Provincial	\$ 810,154	\$ 91,364
Municipal	\$ 11,073	\$ 1,875
Total	\$ 1,801,090	\$ 209,191





