2016 VVHC Final Property Proposal (edited 2/22/16)

Created by Mike Kaminski, VVHC President

Per our October 2015 Officer’s meeting, and general meeting beginning the 2015 year, our goal is to put a plan together to purchase property. Although the time table to purchase had not been set, the primary message to our membership was to have the plan for purchase laid out by the end of the year. As discussed last month, we had the majority of the officer’s interest in re-leasing land over the next **3 years** so we can save properly and have more of an invested interested in more land/assets. As your President, here are my proposed options over the next 3 years:

**Current Cash in the VVHC Bank: $15,197 Current Members: 19**

**Current Cash flow Table**

|  |  |  |  |
| --- | --- | --- | --- |
| Assets (Cash) | $$ | Property | $$ |
| Dues  N@TR  Pig Roast | **+$6,940**  **+$21,000**  **+$7,300** | Trumbull County Lease  Coshocton Lease | **-$4,400**  **-$400** |
| Total: | **$35,240** | Total: | **-$4,800** |
|  |  |  |  |
| Events | $$ | Other Expenses | $$ |
| Fishing Charter  Pheasant Hunt  Camping  Awards Cookout  Holiday Party  N@TR  Pig Roast | **-$600**  **-$455**  **-$400**  **-$800**  **-$600**  **-$15,000**  **-$5,200** | Awards Payouts  Property Insurance  Repairs/Purchases  Admin Budget  Website  Club Attire  Safety Net | **-$500**  **-$300**  **-$200**  **-$100**  **-$250**  **-$300**  **-$235** |
| Total: | **-$23,055** | Total: | **-$1,885** |

**Total Assets: $35,240 Total Expenses: $29,740 Grand Total: +$5,500**

**Future Outlook Moving Forward Based on New Proposal Options:**

|  |
| --- |
| Dues: Cover Expenses in Full Moving Forward |
| N@TR: $6,000 each year generated after expenses |
| Pig Roast: $2,000 each year generated after expenses |
| **Total: $8,000 each year toward property** |

**3 Year Projection: Top section indicates doing what we’re doing now; Bottom indicates future outlook from above.**

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| --- |
| $5,500 x 1st yr = $5,500 |
| $5,500 x 2nd yr = $11,000 |
| $5,500 x 3rd yr = $16,500 |
|  |
| $8,000 x 1st yr = $8,000 |
| $8,000 x 2nd yr = $16,000 |
| $8,000 x 3rd yr = $24,000 |

**Result: $15,197 Current Cash + $24,000 3yrs = $39,197 (Difference of +$7,500 with new proposed option)**

**Basically, it would take us 4.3 years doing what we’re doing now instead of 3 years!! So how do we get there?**

**2016 New Financial Infrastructure**

*To accurately track, all funding for these 3 portions of our club will come from:*

|  |  |  |
| --- | --- | --- |
| **Membership Assets** | **Future Property Funding** | **WildLife 4 ChildLife** |
| **Membership Dues** | **Night at the Races** | **Night at the Races** |
| **Sponsorships** | **Pig Roast** | **Outside W4C Donations** |

*With this funding, money will be used for the following:*

|  |  |  |
| --- | --- | --- |
| Fishing Trip(s) | Future Purchase of Property | Buy Child Equipment |
| Pheasant Hunt | Future Property Payments/Taxes | Travel, Lodging |
| Camping Retreat | Future Lodge | W4C Operating Expenses |
| Awards Cookout | N@TR & Pig Roast Expenses |
| Holiday Party | Incentive Reimbursements |
| All VVHC Operating Expenses |
| Contest Payouts & Awards |
| Property Leases & Insurance |
| Equipment |
| New Member Attire |

2016 Minimum financial breakdown:

|  |  |  |
| --- | --- | --- |
| **$12,100** | **$8,000** | **$3,000** |

**Proposal #1: No Budget Cuts!**

Proposal 3, the “Power of Numbers” proposal has saved our budget, as long as 100% retention is guaranteed through March 1, 2016 and all dues are paid in full.

2016 Projected Dues: $11,200 - $400 (Ron Martinez 2.5 yr contract for his ATV) & -$200 (Dave Lukas 1 yr contract for CCW Club instructor). Also, grandfather dues will be raise $20/yr for 3 members.

**2016 projected dues = $10,600 2015 dues = $6,940**

In 2015, total membership expenses were at $9,550. This includes everything except the N@TR & Pig Roast. So, we basically had to take money from our property bucket to pay for membership assets ($6,940 - $9,550 = **-$2,610**). This is why we proposed a $2500 budget cut, unless we gained new membership. Now, here’s the new breakdown:

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| --- | --- |
| 2016 Dues: | $10,600 |
| 2015 Membership Asset Cost Before Cuts: | -$9,550 |
| 2016 Gains or Losses: | $1,050 |
| Additional Cost for New Member Attire ($50 x 11 - $300): | -$250 |
| **2016 Total Gains or Losses:** | **$800** |

**So, $800 in the green after dues means we can keep paying for the same assets at the same cost without any budget cuts! We must keep in mind that growth in membership means more asset expenses, so in order to prevent nickel and diming our members, our new sponsorship program becomes an important part of our plan.**

**5-7 Sponsorships = $2500 - $1000 marketing expenses = $1500 profit. $1500 + $800 = $2300 to put back into membership assets!**

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| **PROPOSED CUTS** | **PREVIOUS ESTIMATED CUTS/ADJUSTMENTS** | **NO CUTS AND INCREASE THESE ASSETS** | **INCREASE IN ASSET EXPENSES** |
| FISHING CHARTER | $600 ---🡪 $330 | $600 ---🡪 $900 | $300 |
| PHEASANT HUNT | $450 ---🡪 $400 | $455---🡪 $755 | $300 |
| CAMPING | $400 ---🡪 $200 | $400 ---🡪 $400 | $0 |
| AWARDS COOKOUT | $800 ---🡪 $400 | $800 ---🡪 $1100 | $300 |
| HOLIDAY PARTY | $600 ---🡪 $400 | $600 ---🡪 $1000 | $400 |
| COSHOCTON LEASE | $400 ---🡪 $0 | $400 ---🡪 $400 | $0 |
| AWARD PAYOUTS | $500 ---🡪 $200 | $500 ---🡪 $500 | $0 |
| PIG ROAST EXPENSES | $2,850 ---🡪 $2,600 | $2,850 ---🡪 $2,850 | $0 |
| PIG ROAST INCREASE | $2,000 ---🡪 $2,200 | $2,000 ---🡪 $2,000 | $0 |
| RAISE GRANDFATHERED DUES | $180 ---🡪 $200 | $180 ---🡪 $200 | (+$60 FROM 3 MEMBERS) |
| MISCELLANEOUS (penalties,etc) | $0 ---🡪 $20 | $0 ---🡪 $0 | $0 |
|  | **TOTAL SAVED: $2500** |  | **TOTAL INCREASED EXPENSE: -$1300** |

**$2300 - $1300 = $1000 left toward membership assets.**

\*The Budget Cut Proposal indicates that 100% of membership dues go back to the members; this includes all events, property, and resources to run the Club. It also indicates that we will still hold the integrity of the Club together by hosting events throughout the year on top of giving them property to hunt. All estimated $8,000 raised from the N@TR & Pig Roast after expenses will then be put toward property.

**Overall Accumulative Outlook from Proposal #1**

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| --- | --- |
| 1. **Cuts $2,500 Out** | **$8,000 yr 1** |
| 1. **Dues & Cuts provide Membership Assets** | **$16,000 yr 2** |
| 1. **N@TR & Pig Roast provide $8,000 for Property** | **$24,000 yr 3** |

**Add Current Balance of $15,000 (after pheasant hunt paid) to the appropriate year: (YR 2 = $31,000; YR 3 = $39,000)**

**Proposal #2: Incentive Program Geared Toward Profitability**

The idea behind the Incentive Program Proposal is to motivate members, if even a select few, to increase their sales by either $110 or 110% of what they did over 2015, in order to generate more revenue while rewarding members for their devoted efforts on hitting sales targets. **This creates a better culture when you reward for hard work and helps reduce dues.** The program can be initiated with/without budget cuts.

VVHC Incentive Program

1. A member can sell as much from any category listed.
2. Goal: Minimum amount to sell in order to qualify = 500 pts
3. **Reward: Reimbursed 10% once 500 pts is achieved.** **For every 100 pts above the 500 pt threshold a 10% reimbursement.** The 10% is a reimbursement or depreciation of membership dues the following year. Rewards will stop paying once the member’s annual due balance shows $0. For combo memberships of $600, the $200 underlying member can only be rewarded a max of $200. (Example: $400 is the max reward for $400 membership chairs, or $200 for grandfathered membership chairs).

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| --- | --- | --- | --- | --- |
| **Sales Item** | **Cost** | **Club Profit** | **Point System** | **Examples** |
| N@TR Door Tickets | $30 each | $10 each | **10 pts per ticket** | 10 sold = 100 pts |
| Race Sponsorships | $100 each | $100 each | **100 pts each** | 1 sold = 100 pts |
| Full Page Advertisements | $100 each | $100 each | **100 pts each** | 1 sold = 100 pts |
| Half-Page Advertisements | $50 each | $50 each | **50 pts each** | 2 sold = 100 pts |
| ¼ Page Advertisements | $25 each | $25 each | **25 pts each** | 0 sold = 0 pts |
| Horse Sales | $20 each | $16 each | **15 pts each** | 5 sold = 75 pts |
| Raffle Donation Items | $0 (members $50) | 100% profit | **50 pts max** | 1 bought = 50 pts |
| Pig Roast Door Tickets | $20 each | $5 each | **5 pts per ticket** | 5 sold = 50 pts |
|  |  |  |  | **525 pts = $50 off dues** |

Last year, the Chinese raffle brought in $1,982 between an estimate of 35 baskets = $57 value per basket. Also, last year’s profit for the above items are as follows:

$850 – race sponsors, $825 ads, $1440 horse sales, $1,982 chinese raffle, $1,150 pig roast tix, $1,910 N@TR dinner tix (was only $432 due to inaccurate ticket count, but had it been accurate we had 191 people at $30 each = $5,730, but profit is $10 per person = $1,910) = $8,157 profit. The average per 19 members is $429 in sales. We are incentivizing $500 (or 500 pts) minus reimbursement of 10% ($50), so profit will be $450 minimum and $90 profit for every $100 (or 100 pts) sold after! If our average was $429, how many members would push for $500 to get $50 off their dues? In 2015, If all 19 members did 500 pts: $500 -$50 reimbursement = $450 profit x 19 members = $8,550…this is $400 more in profit on top of cutting all 19 members dues down by $50 each ($950 total reimbursed).

So, the strategy here is to drive more sales by simply rewarding. Here’s is an overall big picture goal:

**30 members**

2 reach 1000pts each = $2,000 x 10% = $200 in reimbursements ($100/each)

10 reach 500pts = $5,000 x 10% = $500 in reimbursements ($50/each)

6 sell 600pts =$1,200 x 10% = $360 in reimbursements ($60/each)

4 sell 675pts =$2,700 x 10% = $240 in reimbursements ($60/each)

8 sell 200pts = $1,600 x none = $0 in reimbursements ($0/each)

**Total: $12,500 - $1,300 in reimbursements = $11,200 advertising profits**

**(2015: $8,157 profit 2016 example: $11,200 profit + $1300 given back to reward membership = $3,043 growth!)**

**Overall Accumulative Outlook from Proposal #2**

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| --- | --- |
| 1. **Incentivize by rewarding growth** | **$8,000 + $3000 = $11,000 yr 1** |
| 1. **Don’t use budget cuts, just N@TR and pig roast cash** | **$16,000 + $6,000 = $22,000 yr 2** |
| 1. **New Membership growth can increase $$ growth** | **$24,000 + $9,000 = $33,000 yr 3** |

**Add Current Balance of $15,000 (after pheasant hunt paid) to the appropriate year: (YR 2 = $37,000; YR 3 = $48,000)**

**Proposal #3: The Power of Numbers is Complete!**

The idea behind the Power of Numbers Proposal is to add more membership, therefore obtaining more dues and generating more sales from events. More members bring more people to our events which in turn generates more money at our events…hence the power of numbers. We are putting support in retaining our current membership and trusting that new members will be committed to generating more sales.

**No Budget cuts and keep things the same**

1. Currently at 19 members and grow to 30 members by March 1, 2016 (+11 members)

($6,940 ------🡪 $10,600 in dues) – ($9,550 in expenses not counting N@TR & Pig Roast) =$1,050

**Power of Numbers**

11 new members get 4 friends each to attend N@TR & another 4 friends each for the Pig Roast. **That’s 44 extra people attending our events this year.**

44 people x $30 N@TR ticket = $1,320 in sales (really $440 sales profit since we make $10/head)

44 people x $50 spent at N@TR = $2,200 in sales profit (225 people including members/workers/volunteers generated $11,825 while inside our event. This averages $52 per person on average spending at our event).

44 people x $20 pig roast ticket = $880 sales (really $220 sales profit since we make about $5/head)

44 people x $10 spent at pig roast = $440 sales profit

**Total: $3,300 extra minimum from having 11 new members aboard! Now add the 11 members to this as well:**

11 new members x $20 N@TR ticket = -$220 expense

11 new members x $50 spent at N@TR = $550 profit

11 new members x $15 pig roast ticket = -$160 expense

11 new members x $10 spent at pig roast = $110 profit

And 11 new members saves us from having 10 volunteers ($30 x 10 = $300 in N@TR ticket sales/$100 profit)

**Grand Total: $3,300 extra minimum from having 11 new members aboard + 11 members spending $380 = $3,680!**

**Overall Accumulative Outlook from Proposal #3**

|  |  |
| --- | --- |
| 1. **Grow membership by 11; retain all members** | **$8,000 + $3,600 = $11,600 yr 1** |
| 1. **No budget cuts** | **$16,000 + $7,200 = $23,200 yr 2** |
| 1. **New membership growth can increase $$ growth** | **$24,000 + $10,800 = $34,800 yr 3** |

**Add Current Balance of $15,000 (after pheasant hunt paid) to the appropriate year: (YR 2 = $38,200; YR 3 = $49,800)**

**My Overall Proposal….Combine All 3 Proposals!!**

**Overall Accumulative Outlook from All Proposals**

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| --- | --- | --- | --- | --- |
|  | **Proposal #1 – no budget cuts** | **Proposal #2 – incentivize** | **Proposal #3 – add 11 new members** |  |
| **Year 1** | **$8,000** | **$3,000** | **$3,600** | **$14,600** |
| **Year 2** | **$16,000** | **$6,000** | **$7,200** | **$29,200** |
| **Year 3** | **$24,000** | **$9,000** | **$10,800** | **$43,800** |

**Add Current Balance of $15,000 (after pheasant hunt paid) to the appropriate year: (YR 2 = $44,200; YR 3 = $58,800)**