

MEETING OF REGIONAL AND TALL OAKS BOARD MEMBERS WITH MIKE CARR – CEO - UCCR

TRANSCRIPT (Redacted to eliminate all but the essential items in our conversation that day with Mike Carr CEO, UCCR. The original transcript was lifted from the Zoom audio file and run through Otter.ai software.)

QUESTIONS RAISED BY PARTICIPANTS ARE LISTED (WHEN AVAILABLE) IN RED. All other responses are Mike's

Where you see elipses, (. . . then text) most of the time Mike was moving around the area and the laptop microphone did not pick up the audio well enough to render the exact wording.

AT THE BOTTOM OF ALL THIS IS THE MOST RECENT EMAIL EXCHANGE BETWEEN MIKE CARR AND BILL ROSE-HEIM

Mike Carr on how UCCR got started

" . . . like me who was to camp back in the 60s and 70s, no camp and conference and retreat centers back then we're pretty much just used by the church, or the Girl Scouts or the Boy Scouts, or the YMCA those were pretty much the camps back then. Well, these folks just started talking about how, oh, you know, why don't you use my camp, I'll use your camp. And you know, it just makes sense for us to use each other's camps to spend our money there instead of to show up every summer at our individual camps and hoping that the animals haven't moved in and gas electricity still works and we can get it cleaned up in time and back then also, as you know, food wasn't as fancy as it is now. You know, the expectations of customers now are just quite outrageous, you know, but we're in the hospitality business. You have 38 visitors, now prepare 23 separate meals. That's just what was expected back then in the 60s 70s, it was tomato soup and fried bologna sandwiches and those types of things. And so this group of leaders decided that they would start using each other's facilities that eventually by 1970 turned into an idea. Pastor Charles Wallace, I think he's pastoring now in Arkansas, I think he's Baptist now, but he had this idea to start a nonprofit organization as a cooperative. So UCCR is still a cooperative. So there is insurance, money sharing, there's financial sharing, there's skill and talent share you still work for a nonprofit organization. So started in 1970 and have gone 50 years Through those 50 years, there have been some sites that we manage for just about all 50 years. And in fact, one of them is California. Anybody here, Intuit community? Great. It's just outside Sacramento about two hours. In the Sierra foothills beautiful piece of property of 450 acres right about right on the bluffs where the two forts the American River come together. So groups have come and gone, but still UCR holds true to what we've done for years, which is we're a nonprofit, and we manage and operate camp facilities for nonprofit groups only, which is pretty much all that owns can't come to retreat facilities are nonprofits. And then due to the tax free tax requirement, Only nonprofits.

Unknown Speaker 8:08 **CAN WE ACCEPT BUSINESS FROM FOR PROFIT GROUPS?**

MIKE:

If you will deeply into it, you can actually take up to 5% of your income from for profit organizations. But you do have a separate set of math. How many for profits are actually going to use your facility? Is it worth setting up a separate set of books. I've gone down that road for a number of hours. There are exceptions here and there. But pretty much it's nonprofit, nonprofit groups, does include family reunions, weddings, those types of gatherings. So even though they're not a formalized, nonprofit, still, it's under the tax code.

And there are a lot of different nonprofit types. Not just churches. Not just all of us in universities, but as you can imagine, filter groups or scrapbook groups, youth groups of any type, even sports facilities. So I think that's actually a big market. If you think about all the nonprofits; they are usually run by volunteers, and they don't have a lot of organized space. I've been with the UCCR now for 22 years. Before that, I worked for another nonprofit in the national parks. We ran environmental programs for primarily youth groups, but also in the National Park. So, as I go through this presentation today, if you have any questions, please just ask your question.

Okay, all of you have read the study. That's good to know, because I don't want to take up your time or repeat things that you're very well versed in.

Our main offices are in our North Petaluma (California)

I want to start off with just going through what the services are the administrative services that we provide.

What we do is, typically, is we manage and operate everything from your financial records, to your reservations, to your maintenance, to your maintenance schedule, all of the food resources, all of the accounting, we prepare an audit and then that audit is sent to your office because I imagine you need to have that audit also. All the sales, all the marketing, anybody who needs reservations, they call our 800 number which is at our office in California and we make their reservations that way so we also come up with the fees every year.

We come up with the fees early in the year, and then we create fees to support a budget, a break even budget for each facility. We do have a couple facilities when we took them on . . . we did a study, they were losing lots and lots of money. And we came on and he did a study, he lost less money. They said great, take it on if you're going to lose less money than we were losing, take it on. So we do have a couple facilities where they are subsidized by the owner and that owner makes cash payments a couple times a year to keep the cash flow going.

Our staff is there. So all the employees there are UCCR employees and we have staff structures that we have worked through 50 years that we know are successful. Our job is to increase the occupancy rate and decrease the vacancy rate.

And we also want to decrease expenses. So over the number of years have been doing this. We have some expense control methods also. That really worked out for us.

I don't think we have any sites where all staff live on site, there's usually not that much house. Right? The only piece that we don't do is one of your programs. Okay. So obviously, I hope you understand that that we're really here to help you focus on your programs for your programs to be successful.

... you have an asset that big, there's a lot there. It's a lot of woods, there's a lot of doors, there's a lot of windows, there's veterans, there's a lot of exterior /interior. We've got utility underground that may have been there for decades is rotting or the roots are getting into natural resource damage. I know last May Tall Oaks barely escaped a nearby tornado. There's just so much that goes in with that goes into these problems. Okay. And all we do is focus on that. So you don't have to focus on that.

... we've got 50 years of doing that. finding people in this industry, who this is, this is what you want to do. You want to run your facility. So your groups show up. And all the other groups show up, that their program is very successful. And we also know that nonprofits you know, they just do such great work in communities and I think that our governments and other agencies are able to fill So, you know, we feel very strongly that what happens at these facilities is nonprofit, that we're really supporting and furthering their mission by just being behind the scenes and making sure things are . . .(well maintained/run)

WHAT IS UCCR'S RESPONSIBILITY FOR MAINTENANCE?

So maintenance would be the normal cycle. What we're responsible for is the normal everyday regular maintenance. So that would be power washing the exterior, repairing gutters, unclogging sinks or septic lines, but we're not responsible for capital improvements. . . if a new roof is needed – that's a capital improvement.

We organize our work to spend less than what we take in and that difference is put (by mutual agreement) into a maintenance reserve fund. Annually we together decide how to spend that to do major maintenance or you may decide to use that for your programs

So . . . so let's say that you say that you want to do archery course. Well, you tell us at that annual meeting . . . And if there's money in the reserve, you tell us what archery course you want, and we'll spend that money on an archery course.

At that meeting, we'll be talking about how to spend that maintenance reserve. We will also be way ahead of the curve before that meeting, we may come to you and say, Hey, you know what that roof needs to be replaced or, geez, you know, you guys have a septic issue going on and out there . . . , your septic line is getting full, you know, or it's getting destroyed by the tree roots or whatever. So we will be way ahead for you. thoughts on how we think that money needs to be spent. . . Let's say you've got water leaking that we find, you know, we'll rent the tractor. We'll dig it up. We'll do all that work. Let's say we diagnose the problem to cost \$5,000 there's no reserves, we'll let you know right away.

(The CEO, COO and CFO have monthly conferences to review reports from facilities.)

We review what the budget looks like to date and what is projected. We operate under GAAP – Generally Accepted Accounting Principles. We look at every expense. It's your money and we are responsible for spending your money correctly.

Reservations are from groups, not individuals. There are facilities that we have where there's special houses where be pastors (who want to be on retreat for a day or two).

We manage all the risk in your facility, whether it be natural resources with trees, overhanging buildings, we want to make sure that we catch any hazard trees before they make the moves. And one of the biggest risks at facilities obviously, is employees.

So we interview staff . . . site directors have a background in maintenance in customer service in administration, finance, supervision, human resources. Just a big big bucket they have so they interviewed and hire the staff in our human resources department is there (to help). And then also our human resource department is the group that places the ads whenever staff (positions open)

I mentioned, risk management, regulatory compliance, marketing, social media . . .

And so we're always watching the analytics that we have out there on marketing, to maximize your facility. And we do this for every facility also in marketing. We have a press release that goes out. If there's nothing special going on in your facility, we'll have a press release that comes out twice a year at least. Let's say that we want to advertise holiday specials. And we want to knock \$10 off price for the night, we'll put out an ad for that we'll spread that far and wide \$10 off during the holiday period. Let's say that you have a new challenge course or you partner with somebody at your facility that is very special to you or to us to partner at your facility. We'll do a press release. about that. A good example of that is . . . we're very aware of trying to make facilities more environmentally friendly. So in Cape Cod, we are working with a group of grad students from Columbia University on zero carbon. And we're trying to get that by 2030 actually there and we've already started with all sorts of programs. . . And we've tried to get . . . certified as green businesses, some of our facilities already into it, and you follow that pathway, and what we know . . . that the next generation of people spending money are going to be looking a little bit deeper on who they're spending their money on, and where their money's going. And there's going to be some factors such as environmental awareness of where they're spending.

. You know, we we want to work for your boards. . . if I was . . . instructed to only work with Mary Lou, we would work only with Mary. And that's who I will talk with now the owners council not users Council, but owners Council. So the owners council representatives.

The folks that own the property, two representatives from each property are on the Owners Council. And then there's a separate board of directors and that board of directors do have two liaisons from the elders Council on the board. So they represent the thoughts of the elders Council, and everybody else on the board is chosen just as a typical nonprofit, for their skill set, what what they bring to that nonprofit, and so that the board is there, too.

Transcribed by <https://otter.ai>

The following is from the email exchange with Mike Carr on 4/20-21/2020

Section 1.

1. Duties and responsibilities . . .

- a. Site Management – are only tax exempt groups allowed to utilize Tall Oaks Conference Center? Yes with very few exceptions. An example of an exception would need to be requested and approved by the Disciples

Section 2

1. Owner must supply sufficient operating capital each year not just the 80,000 to start off the first year (this might need clarifying - perhaps a brief example from another camp's start with UCCR) There has not been an example of a need to increase operating capital after the first payment. In fact if a site becomes very financially sustainable we have offered to return a portion of the operating capital to the owner with the understanding that if needed that amount would be returned to the camp.

2. Owners Council in light of the pandemic are these meetings now held by Zoom? Otherwise the Region is responsible for travel , lodging, food, etc for Owners Representatives on the Owners Council, correct? Except for the very first meeting 3 years ago meetings are always held by phone or zoom.

Section 7

Does the UCCR Owner's Council have to vote to approve a termination of a contract? No

Do you know if your insurance agent and ours have met to work out what insurance for Tall Oaks will cost and who will carry that? We are moving forward that the current IB policy you have will remain in place. Yes I have spoke with your agent and he is aware of the situation.

If the pandemic results in fewer or no paying user groups in 2020, and, if it becomes clear that Tall Oaks cannot be reopened responsibly, is the cost to our Region the same as if we had to end the contract for any other reason? If no groups came or if the camp did not open, the region would be responsible for any budget deficit (expenses exceed revenue)

If we sign the document this week, do we then send the \$80,000 within 30 days? If August 1 is the start date UCCR would not need the operating capital until July 1.

I am sending a transcript of our meeting with you in December to Board members in hopes that some of any other questions may be answered before tomorrow night.

Thank you, Mike.

Bill

William B. Rose-Heim, M.Div.
Regional Minister and President
