

Tall Oaks Camp and Conference Center - OPTION #3
A Three-Five Year Pilot as a Property Both Owned and Operated by the Region

1. Overview of proposal:
 - a) We propose keeping the Tall Oaks (TOCC) property for three to five years with the goal of generating profit, retaining earnings, controlling costs, and being self-sustaining at the end of year five. This requires the Region to provide the TOCC Team with the \$80K seed money (as was done for UCCR) as beginning cash flow and execute the TOCC Board approved maintenance proposal from 2021. If at the end of year five, TOCC is not sustainable, other avenues such as sale of the property can be pursued. By this time, the property will have undergone repairs and upgrades, ultimately making it more valuable and appealing to potential buyers.
 - b) In addition, there can be a potential goal of having Tall Oaks reincorporate within 10 years as a totally self-sufficient 501(c)(3), creating more possibilities for non-sectarian grants.
2. Key differences from how TOCC is operating currently:
 - a) Staffing would be strategically put in positions which are streamlined, ultimately with four to five full-time equivalent (FTE) staff, just over 50% of pre-COVID 19 levels. With that said, the pay rate of FTE employees would reflect the amount of education, skill and training desired.
 - b) Part-time employees would be hired on an as-needed basis, particularly during the peak summer months. Certain periodic tasks such as groundskeeping and housekeeping could be accomplished by third parties if financially beneficial. FTE employees would be charged with overseeing third party vendors.
 - c) Expenses will be reduced from prior years. This will come in all areas, especially HR, as TOCC has historically been overstaffed. Salaries will need to significantly increased although numbers of employees can decrease dramatically (pre-UCCR).
 - d) Good business practices with appropriate checks and balances for accounting will be observed. This will necessitate a local, third-party accounting firm for bookkeeping and audit functions, giving TOCC a rapid, up-to-date accounting of financial position.
 - We all agreed it was critical to be able to see finances in a much shorter time than DTS has been able to provide.
 - We suggest that every event at Tall Oaks be analyzed financially to determine profitability and whether prices/packages need to be adjusted.
 - Post-use surveys will be administered to every patron of TOCC, with analytics employed to help inform future decisions regarding pricing, service, and food quality.
 - e) An aggressive marketing plan will be employed. TOCC bookings are directly affected by marketing, so the more aggressive the comprehensive marketing plan and the priority we give it, the greater the number of bookings annually.
 - Social media campaign to showcase TOCC capabilities.
 - Bring potential groups onsite to showcase TOCC capabilities.
 - Place responsibility of sales upon the staff, giving incentives to those employees who bring in new bookings. Target metrics will be established as this plan is further developed. Our team had many ideas about how to go about this, most of which would cost little to nothing.
 - f) Grant funding will be sought. The major reason for attaining a separate 501(c)(3) designation for TOCC was for grant application purposes. But little has changed to affect that process as TOCC is still operated as a Church camp. Our goal is to move from that model into a much more inclusive property that appeals to a wide variety of constituents.
 - g) We suggest positioning the property as a spiritually inclusive retreat facility with event capabilities in addition to being used as a traditional campground.
 - As church groups represent the minority of TOCC clients, less than 30% of all users, we believe that a more neutral venue will broaden appeal to those who practice other global faiths or who identify as "spiritual but not religious."

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- Neutral symbols (e.g., flame, river, tree of life, or simply the new Tall Oaks logo), will replace Christian symbols currently displayed. Specific Christian symbols (crosses, communion tables with crosses, etc.) will be available for any group wishing to display such items during their stay, if requested. This is not to discount TOCC ties to the CC(DOC) or the larger Christian faith, but instead to refrain from excluding people from other traditions.

3. Organization structure, and staff that would operate TOCC:

- a) Hire four to five FTE staff with clear roles that outline accountabilities, authority and resources.

All will report to the General Manager (GM).

- GM, includes sales, marketing, and reservations/booking - \$70K + 25% benefits.
 - Over time, ideally consider hiring dedicated sales & marketing staff, separate from GM. This person would have salary + commission to increase incentive for success.
- Chef - 50K + 25% benefits + live onsite option.
 - This person would be skilled with proven track record in all facets of food service, as the dining experience is a priority for camps, conferences, retreats and other new events, e.g. wedding receptions, family reunions, etc.
- Housekeeping - 40K + benefits + live onsite option.
 - Will seek the most financially beneficial option. This function could be contracted with a third-party vendor to be supervised by the GM.
- Property Manager- 62.4K + 25% benefits - live onsite
 - Grounds keeping – with part-time help or third-party vendor
 - Maintenance
- This FTE staffing budget would be \$299K. This would leave a substantial amount to compensate part-time/seasonal help before ever reaching 2018 budget levels.
- Also, we would consider converting the original Site Manager's home turned office, back into a home that would incorporate a single office (formerly Maintenance Office) for TOCC.
 - This would allow for one more staff person's family to live on site and would be considered part of their compensation package.
 - This would also address growing security concerns by having a staff person living near the entrance of the camp.

- b) ** We strongly recommend that the Region hire a designated staff person to administrate property and structural oversight with the responsibility of overseeing and collaborating with TOCC GM on overall operations. This person would also be responsible for working with and overseeing regional churches in property matters (selling, refurbishment, structural issues, etc.).
 - Employed by the region.
 - Serve as a liaison between the region and the TOCC GM.
 - Ensure regional oversight.
 - Serve as a consultant for other building or maintenance issues for regional or church properties.
 - Restructure TOCC Board to become a "working" board that advocates for Tall Oaks and its needs.
 - This board should include non-church individuals of varied experience, especially skilled business professionals. Since church persons/groups make up less than 30% of TOCC total users, the board should reflect that fact.
 - Some of our team working on this proposal would like to be part of the TOCC board in its new structure.

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4. Estimate of annual revenue expected over the 3-5 year trial:

- a) We decided to use the TOCC 2018 of \$699,240 Total Operational Income as our baseline.
 - Being the lowest income of 2017-2019, it is the most conservative income figure for our projections.
 - This is not inclusive of current UCCR housing and service rates, which we would assume to begin, therefore boosting income figure.
 - This does not include the new and aggressive marketing campaign that would be undertaken, boosting bookings and income.
 - This does not include any grants applied for. Grants do not come quickly, but perhaps could be realized within 3-4 years.
 - Our preliminary goal is

5. Estimate of annual costs:

- a) This is less predictable due to COVID 19 variables plus UCCR management.
- b) We would assume 2017 Total Expenses at \$828,252 since it is the largest figure in the last five years.
 - Staffing costs will be lower based on reduced staffing load. *However, the percentage of staffing cuts would not equal that of HR budget due to salary increases per person.
 - We will take inflationary factors into account when planning for expenses.
 - We will also see a modest increase in the marketing budget.
 - With all these factors considered, salary and benefit reductions will bring the total budget down. Our hope, however, is that even with rising costs of food and supplies, we can stay near 2017 expenses, if possible. For us, this is not only about controlling spending, but spending intelligently.

6. Breakdown of where funds to cover costs will come from (Region, donations, investors, fees, etc.)

- a) It is our ultimate goal to make TOCC a totally self-sufficient entity within 3-5 years. That will mean that operational costs and capital improvements will be covered by operational income.
- b) Self-sustaining status would also incorporate the addition of future grant funding.
- c) This proposal cannot be achieved without initial investment by the Region.
 - \$80K seed money to be used for start-up cash flow (like that given to UCCR).
 - \$200K(+) capital improvements to address deferred maintenance, voted on by TOCC board last year. This amount has undoubtedly increased since bids are well in excess of 120 days old.
 - With proper management as well as marketing, there is no reason that cottage-based revenues could not increase significantly.
 - Any other maintenance issues during the trial period must be negotiated between the Region and TOCC leadership for payment.

7. The best things about this option:

- a) It will reduce the time and energy that the regional staff and board must give to TOCC matters.
- b) It will realign the values of the region and TOCC. And while there may be fewer Christian symbols permanently displayed, Christian values will be ever-present in the hospitality, welcome, and grace shown to everyone visiting the property.
- c) It will allow DoC children, youth and adults to continue attending camp at our beloved TOCC.

8. Challenges for this option

- a) Uncertainty of COVID moving forward.
- b) Continued hesitancy of user groups due to COVID restrictions/concerns. This trend is slowly reversing but user reservations are not yet back to pre-COVID numbers.
- c) Shrinking employment pool since the beginning of COVID.

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- d) Rising pay scales in traditionally minimum wage employers are now in competition with TOCC.
- e) Deferred maintenance that must be addressed in the short-term

9. Closing statements

- a) After touring the property and reviewing financials, our team unanimously agreed that they believed TOCC could be profitable/sustainable with very careful control of spending, limited & strategic selection of staff, and aggressive marketing. They agreed that the camp had several underutilized resources and affirmed the need for significant refurbishment and continued upkeep.
- b) One area that they felt was underutilized was day usage. From larger family reunions, to weddings and receptions, to tent campers, to office retreats, these groups have not been specifically targeted with comprehensive marketing. This will be one of the many focal points of the new marketing strategy and campaign.
- c) Overall, this work group included eight individuals, all with business backgrounds. Jeff Hon's undergraduate degree is in business administration, and he has extensive knowledge of TOCC property and finances, site management, and construction. Dale and Debra Herrick were present as advisory members, answering questions with their extensive knowledge of regional finance and marketing. The other five individuals have all completed executive MBA's and the team members provided additional expertise including marketing, strategic planning, finance and financial projection, accounting & bookkeeping, sales, management, manufacturing, and engineering. Without their objective insight, this work would not be possible. Additional team members are: Mandy Bannister, Becca Brader, Tom England, Sarah Hon, and Nick Ward.

Respectfully submitted by Jeffrey Hon, MDiv.

*Conflict of Interest Disclosure: Jeff Hon is a pastor with good standing in the Region, a member of the Tall Oaks Board and functions as structural oversight consultant, successfully working with the Region and local congregations in the sale and/or maintenance of church related properties. The above proposal is offered with no expectation of financial or personal gain.