

Long Term Sustainability of Our Camps and Conference Centers by Gary Batty

First of all I want to thank Joel for inviting me to talk with you today and hopefully provide helpful information and guidance during this difficult and critical time in the life cycle of camp and conference ministries.

After spending almost 30 years in this ministry at Stronghold and Mo-Ranch, I have an understanding and certainly empathy for the emotionally and physically stressful position you are in whether you are an Executive Director, other staff member or a member of an oversight committee or member of a governing board.

My comments today are based on current realities and some assumptions:

- COVID 19 is a current reality and is not likely to go away soon if ever. It is likely to become less of a threat in time.
- A vaccine will not likely be available in the near future.
- Our camps and conference centers range from small to large, some are self-incorporated others owned and operated by governing bodies, and they are located in a variety of states and Puerto Rico.
- The virus has affected geographic areas differently which translates into differences in how our sites are being affected.
- Long term is a moving target and predicting what is in store for camps and conference centers in the late summer, fall and winter of 2020/21 and spring of 2021 is difficult at best.

Therefore:

We need to look at making strategic decisions based on:

- The reality of whether summer camp will happen in 2020 knowing that many sites have already made this decision. Those that haven't need to do so soon.

- Assumptions of what may happen regarding Fall and Winter 2020 and Winter/Spring 2021 programs and retreat rentals.

These short-term strategic decisions will ultimately affect your long term financial health and ability of accomplishing long term goals.

These strategic decisions should be guided by 2 major priorities:

- The safety and health of campers, program participants, guests and staff.
- Financial viability

The following questions need to be addressed:

- What is your ability to appropriately distance campers, program participants, guests and staff in housing and during activities including food service?
- Can you provide adequate Personal Protective Equipment?
- Can you effectively provide clean and sanitary spaces for housing and activities including food service?

There is another question that is beyond your control:

- Assuming you are convinced you can answer yes to the above 3 questions and you are able to present a positive case of your ability to do so, will that result in adequate registrations to cover the costs of providing those services? It is likely that registrations and reservations will be significantly lower than normal.

This leads us to the topic of assessing your financial viability.

I will start by saying that there are elements of this topic that will be different depending on whether you are self- incorporated or owned and operated by a governing body. Even some self-incorporated ministries

are restricted in some aspect by the governing body who originally owned them.

Question:

1. Do you have financial reserves and how long will they cover the cost of current staffing levels and operating costs of facilities if your income is limited or non-existent? When you are able to answer this you will be ready to make some strategic decisions such as:
 - If and when to furlough and/or layoff staff. The laws of your state and your personnel policies will determine your most effective strategy and the potential costs such as: furlough return dates, severance packages if laid off personnel are not called back with a specified time frame, unemployment insurance costs, etc.
 - Do you have the ability to qualify for a loan from a financial institution? This is likely to be easier if you are incorporated and own your property although some incorporated sites are restricted from using their property as collateral. This is most often the case if the property reverts to the original owning governing body if the ministry ceases to exist.
 - Does it make sense for you to apply for the Payroll Protections Plan loan through the government that has a 1% interest cost? I believe there may be other loans available through government sources.
 - Does it make sense for you to talk to supporting churches that have endowments to see if they are willing to loan you money at favorable interest rates?
 - Don't forget your donor base. Evaluate the strength and capacity of your donors and give them the opportunity help by donating funds and/or time. Some may also be in a financial position to provide low or no cost loans.

The bottom line is if you do take on debt you need to have a 3-5 year pay back plan, as it will likely take that long to acquire the excess funds necessary to repay the loans.

This is just the tip of the iceberg for all sites, even those who may have significant reserves. The key now is flexibility. You need to be ready to move in alternate directions and also to be ready to pull back if needed. A general rule of thumb in regarding budget management is to reduce fixed costs and focus on managing direct costs. A prime example of fixed cost is staff salaries and examples of direct costs are food and utilities.

Make sure your short-term strategic decisions are well thought out as they are not always easily reversed. Furloughs and layoffs are good examples. While they are likely necessary, those affected may find other employment and would not be available if you need them back quickly. But don't let that cloud your decision to the extent that you choose not to go that route when that could be one of the choices that saves your ministry.

Final thoughts:

- Any long-range strategic plans you currently have in place need to be reviewed regularly and adjusted in reaction to short term strategic decisions and circumstances that may cause a shift in your long range direction. But don't be too quick to make major changes.
- You and your board or advisory committee may start to feel pressure to develop a recovery plan. While it doesn't hurt to start thinking about this, it is probably too early to make final decisions. We really don't have a good handle on just how long and to what extent you will be affected. What if there is a recurrence caused by opening geographic areas too quickly and your potential

clientele are not comfortable coming? What if it starts to reappear next fall or winter and a vaccine hasn't been developed?

- If incorporated, your board should be directly involved and approve all critical decisions and direction changes. If owned and operated by a governing body, keep your committee in the loop and seek guidance and approval as required and/or appropriate. Also keep the appropriate governing body leadership informed on a regular basis.

Questions?

Feel free to contact me if you have further questions or if I can be of assistance in any way. Email: gary@runriver.net, phone: 815-904-2874.