Lair of the Golden Bear
Camper Update

December 2012
Overview

- CAA Strategic Plan 2013 - 2017
- Lair Master Plan Update
- Lair Overall Financial Position
- Overview CAA Financial Picture
- Challenges and Opportunities
- Lair Adhoc Committee and Conclusions
Our mission is to advance and promote the interests of the University of California, Berkeley by connecting alumni with each other and our alma mater. Together with our campus partners, we play an integral role in informing, engaging, and inspiring alumni to support the University by:

1. Participating and volunteering in University programs and events
2. Acting as ambassadors and advocates on behalf of the University
3. Giving to the University
Mission and programming effectiveness measured by four behavioral metrics:

1. Inspiration
2. Participation, Engagement, and Volunteerism
3. Advocacy and Ambassadorship
4. Giving

\[
\text{EFFECTIVENESS} = \text{Inspiration} + \text{Participation} + \text{Advocacy} + \text{Giving}
\]
Global Strategies of the Plan

1. Be more proactive and explicit in encouraging alumni support of the University and CAA
2. Actively promote CAA and University sponsored programs and initiatives that inspire alumni to support the University (even programs CAA doesn’t sponsor)
3. Increase CAA’s reach, visibility, and engagement capacity by leveraging the most current technology (digital, social, mobile, web)
4. Develop metrics to track CAA success
5. Cross promote CAA programs, membership, and CAA giving to CAA members and participants
6. Increase CAA net revenues primarily through membership, development, royalty programs, and revenue-generating programs
7. Employ an incremental, phased, and prioritized approach to program optimization, creation, and deletion
8. Pursue alternative funding models from campus and third party partners to support CAA program priorities
Lair of the Golden Bear
Master Plan
Lair Master Plan

• In 2001, CAA and the Lair determined outdated structures needed renovation and replacement. Many structures had not been upgraded or significantly improved since the Lair’s opening over 50 years earlier

• Priority was given to structures needing to meet code and/or to align with US Forest Service requirements

• Lair campers were included in the process of developing the LMP

• The LMP Committee determined the Lair required over $17 million to fund the improvements outlined in the plan. The money would be raised through Lair fees, donations, and a bond

• In 2006, the Lair began work on the projects identified in the LMP
Lair Master Plan Financials

- Funds raised to date: approx. $11,000,000
  - $8.3M bond
  - $2.1M in donations
  - $700K from operations

- Funds spent to date: approx. $11,000,000
LMP Projects Completed to Date

• 12 bathroom and showers buildings
• Blue and Gold pools rebuilt
• Maintenance facility
• Blue, Gold and Oski recreation facilities
• Oski stage relocation
• Parking lots and road configurations
  • New connector and parking in Blue
  • Decommissioned roads and parking in Gold
LMP Projects Completed (cont’d)

• Decommissioned roads in Gold meadow
• Expanded parking below Vista Lodge
• Approximately 50 cabins re-built
• 12 new cabins added (4 Blue, 4 Gold, 4 Oski)
• Staff bathrooms remodeled
• Fire suppression added to Oski (hydrant system)
• Multiple smaller infrastructure improvements (foot bridge at Oski, Blue office, architectural and engineering schematics, Blue art grove, etc.)
Major Projects Left to Complete

- Camp Gold Dining Hall
- Camp Blue Dining Hall
- Camp Oski Dining Hall/Lodge
- “Spine” road connecting Blue and Gold
- Remaining tent cabins (approx. 170 including staff tents)
Lair of the Golden Bear
Overall Financial Position
Overview of the Lair’s Financial Position

• 2011
  • Gross Revenue approx. $4,950,000
  • Expenses approx. $3,932,000
  • Net approx. $1,018,000
• 2012
  • Gross Revenue approx. $5,000,000
  • Expenses approx. $3,822,000
  • Net approx. $1,178,000
• Net assets of $21 million as of 12/31/11
Expected Lair Contribution to CAA

When the Lair Master Plan was prepared and the bond was issued, CAA management established the following:

- 15% of Lair gross revenue to go towards the CAA operating budget
- All remaining net income was used for:
  - debt service
  - capital expenditures
  - additional contributions to the Lair Master Plan
Expected Lair Contribution to CAA

In practice, Lair net income has not been large enough to cover debt service, annual capital expenditures, and a 15% contribution to CAA operating budget, so the contribution to CAA budget has been lower.
Expected Lair Contribution to CAA

- In 2011, Lair net income -- before depreciation and interest expense -- was $1,018,000 and the contribution to CAA operating budget was about $390,000, or 8% of gross revenue.

- In 2012, the projected net income is $1,178,000 and the contribution to operating budget will be about $550,000, or 11% of gross revenue, leaving $628,000 to go towards the bond repayment ($530,000) and capital expenditures.

Note: No increase in camper rates since 2010
Overview of CAA
Financial Picture
## CAA – Operating Fund Results

($ millions)

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<th>Rev</th>
<th>Exp</th>
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Life Member Fund – Year-End Balance

• 2010    $14.9M
• 2011  $14.1M
• 2012 (proj.) $14.9M
Challenges and Opportunities
Lair Challenges and Opportunities

Challenges

• Funding for ongoing Capital Expenditures

  • In 2010, CAA commissioned Marell Inspection Services, Inc. to assess cash reserves needed for future repair or replacement of components / assets for the 5 properties in Pinetrest: Camps Blue, Gold and Oski, Pinetrest Chalet, and the Lair Maintenance Facility.

  • The report determined that CAA will require approximately $1,000,000/year to maintain these 5 properties.
Lair Challenges and Opportunities

Challenges continued

• Based on six years of experience with Lair MDP construction costs and estimates, as well as our projections of life expectancy of certain assets, the Lair staff determined that CAA will require approximately $500,000/year (although more would be better) to maintain its facilities and avoid the same problems faced over 10 years ago.

• Beginning and end of season vacancies
• Economic uncertainty and instability
Lair Challenges and Opportunities

Opportunities

• Lair shoulder season
  • Beginning and end of season vacancies
  • Recruiting young families
  • New special / academic interest groups
  • More weddings
  • Increased adult programming
    • Wellness
    • Young Alumni
• CAA’s New Director of Business Development
• Pinecrest Chalet
  • Incremental Lair Sales (day passes, adult session upgrades)
  • Conference/Retreat/Wedding business
  • Expanded opportunities to CAA members
  • Expanded/New partnerships with Cal and other UC’s
Lair Adhoc Committee and Conclusions
Lair Adhoc Committee

Background of Committee

• Created in 2011
  • CAA ED, Lair Dir., Board and staff
• Determined profitability of all camps and all sessions
• Explored raising rates (for first time since 2010)
• Explored paying off bond from CAA Life Member Fund
• Explored more drastic options
  • Closing one camp
  • Selling one camp
  • Converting one camp
Committee Conclusions

• Maintain Operations at all Lair properties
• Lair Enhancement Fee - $6/day per person
  • Will raise $300,000-$350,000 per year
  • Will be exempt from CAA 15% contribution
  • Will be used for immediate and long term improvements:
    • Vista Lodge facelift - 2013
    • Re-built tents – yearly (8-10 in 2013)
    • Internet improvements - 2013
    • New Lodge Amenities - 2013
    • New Pool Amenities - 2013
    • Contribute toward completion of Master Plan - Yearly
• Normal Capital Expenditures - Yearly
Thank you and
GO BEARS!