

HART RANCH CAMPING RESORT ANNUAL MEMBERSHIP WORKSHOP MEETING MINUTES

**June 8, 2018, 9:00 am
Located in the Pavilion**

BOD Members Present: Wayne Pauli (President), Tom Kinnison (Vice President), Bob McCormick (Treasurer), Lisa Beck (Secretary), Elmer Pritchard (Member Secretary), Tim Schnabel (Resort Manager)

The workshop was called to order by Wayne Pauli at 9:04 am.

APPROVAL OF THE AGENDA

Bob McCormick motioned to approve the Agenda, 2nd Lisa Beck, Motion Carried.

MEMBER COMMENTS

- Henry Chapell – Upset with the 24 hour rule. Don't feel it necessary to check in with the gate or management when leaving the resort.
- Stella Johnson – Interested in helping solve Wi-Fi issues as she and her husband are network engineers. Also had comment about parking ticket.
- Tim Hostettler - I'd like to propose that the Board consider these deported active Military families form the burden of moving every 21 days while their spouse is deployed.

RESORT MANAGER'S REPORT: Presented by Tim Schnabel, Resort Manager.

Review of 2017 Financials

	December 31, 2016	December 31, 2017	December 31, 2017
	Actual	YTD Actuals	Budget
Total Revenue	\$ 3,128,322.18	\$ 3,273,045.79	\$ 3,217,724.00
Cost of Goods Sold	\$ 306,145.02	\$ 308,089.83	\$ 314,293.00
Gross Profit	\$ 2,822,177.16	\$ 2,964,955.96	\$ 2,903,431.00
Operating Expenses	\$ 2,497,585.21	\$ 2,704,356.78	\$ 2,800,503.00
Operating Income	\$ 324,591.95	\$ 260,599.18	\$ 102,928.00
Total Other Income	\$ 15,243.62	\$ 15,609.34	\$ 12,000.00
Total Other Expenses (depreciation)	\$ 368,754.95	\$ 351,581.05	\$ 323,000.00
Net Income	\$ (28,919.38)	\$ (75,372.53)	\$ (208,072.00)

Update on 2017/18 Capital Improvements:

**Hart Ranch Camping Resort
Approved Capital Improvement List 2018**

Maintenance

Qty	Description	Approved	Spent
	Cabins		
1	Vault for Anderson Lodge (Gary Sturges)	\$ 1,785.72	\$ -
1	Gravel for Storage (Talley Construction)	\$ 7,500.00	\$ 8,722.51
1	Update Electrical section (reduce # of sites to 5 or 6 per electrical panel per electrician)	\$ 30,000.00	\$ 24,946.98
1	Update Electrical section (CS-5, North Section)	\$ 32,000.00	\$ 33,168.43
1	Update Electrical section (CS-5, South section)	\$ 10,000.00	\$ 10,204.10
1	Update Electrical section (CS-1)	\$ 6,000.00	\$ 7,543.17
1	Electronic Key Locks	\$ 25,000.00	\$ 22,355.79
1	Cable TV infrastructure (Midcontinent/VAST/CenturyLink options)	\$ 12,000.00	\$ -
	Maintenance		\$ -
1	Backhoe	\$ -	\$ 26,647.50
1	Tree Spade	\$ 4,500.00	\$ 4,183.08
1	Remodel Colt 450 (furniture, cabinets, appliances)	\$ 3,500.00	\$ 2,968.78
	TOTAL	\$ 132,285.72	\$ 140,740.34

Security

Qty	Description	Approved	Spent
1	12 TB Hard Drive (Security video storage)	\$ 5,000.00	\$ -
5	Upgrade backhaul devices (5 at \$1500 ea.)	\$ 7,500.00	\$ -
23	Hardwire AP's (23 @ \$500 ea.)	\$ 11,500.00	\$ -
	TOTAL	\$ 24,000.00	\$ -

Pool

Qty	Description	Approved	Spent
1	Safety Stairs	\$ 4,000.00	\$ -
1	Pool vacuum	\$ 2,000.00	\$ 2,715.61
2	Agitator pump motors (adult and teen hot tubs) need to be replaced	\$ 3,000.00	\$ -
	TOTAL	\$ 9,000.00	\$ 2,715.61

Activities

Qty	Description	Approved	Spent
1	Sewer to Picnic Shelter (Gary Sturges)	\$ 2,908.17	\$ 2,602.05
1	Bathrooms to PS-A	\$ 8,734.71	\$ 9,250.00
1	Sound System (partially purchased in 2017)	\$ 3,000.00	\$ 4,600.00
10	Golf Carts (or could go 1/2 down and finance for 2018)	\$ 26,500.00	\$ 26,500.00
	TOTAL	\$ 41,142.88	\$ 42,952.05

TOTAL AMOUNT OF CAPITAL IMPROVEMENTS 2018

\$ 206,428.60

\$ 186,408.00

Long-Range Plan items for 2018

Qty	Description	Approved	Spent
	Buildings & Land		
20	Picnic Tables	\$ 12,000.00	\$ 11,490.22
1	Engineering for sewer in Meadows (\$9000)	\$ 9,000.00	\$ 9,000.00
1	Expand Grounds shed	\$ 24,852.09	\$ 27,318.79
1	sewer in Meadows	\$ 100,000.00	\$ -
	Rental Units		
6	Cheyenne Siding (materials only--no labor)	\$ 36,000.00	\$ -
	Grounds		
30	Repair Sites	\$ 60,000.00	\$ 31,852.10
	TOTAL LONG-RANGE PLAN ITEMS FOR 2018	\$ 241,852.09	\$ 79,661.11

TOTAL AMOUNT OF Long-Range Plan IMPROVEMENTS 2018

\$ 448,280.69

\$ 266,069.11

(Over)/Under Budget

- **Sewer in the meadows update** - as of Wednesday, Maintenance Supervisor, Eddie Long is working with a local construction company to give us a updated bid for the complete project, as opposed to piecing the project together with multiple contractors. When we get the bid in, we will need county approval, then state DENR approval. We are still focusing on completing the project in the fall.

Department Updates:

- **Housekeeping.** Cathey Fulwiler has accepted the role of housekeeping supervisor and is assisted by Darrel Olson. The addition of 4 J1 employees (2 from Jamaica and 2 from China) has proven to be extremely helpful. Bedding has been upgraded in about half the cabins to provide a more modern, sanitary look. In addition, the housekeeping vans have been modified with the addition of shelving as well as a couple of small trailers built for the purpose of speeding up the linen & garbage removal process.
- **Maintenance.** Eddie Long has taken over for Roy Friend as Maintenance Supervisor. Current projects in the works include revisiting the bids for the Meadows sewer project, purchasing of electronic water conditioners, oversee completion of the Picnic Shelter A restrooms, refurbish/repair all cabin decks, look for solution to water collecting on sites after rains, streamline purchasing process, paint the poles for the tennis court lights, continue servicing all AC's. Fall projects will include additional cabin repairs internally, applying sealant to Anderson shingles, Cheyenne siding (2-3 cabins), refurbish all windows at the lodge, restaurant, pavilion and pool comfort station, evaluated repair/replacement of comfort station water heaters, address redesigning lodge restrooms to be more ADA compliant as well as Anderson 501, and current long-range plan items. Nice upgrades include replacing the water fountain at the pool (which was broken) with a new water fountain and filtered water bottle refill station. The same type of water fountain will also be located next to the restrooms by Picnic Shelter A.
- **Lodge.** Closely evaluating turndowns vs occupancy levels with the new rules in effect. Again, maxed out on family reunions for 2018. Would propose utilized the same lottery method for 2019. Sue is also continuing research on alternative reservation systems that are capable of including all of the services our current software provide—reservations, sales, billing, as well as providing counters and/or limiters to most effectively manage member usage. One key element is the ability to make online reservations while taking into account all of the rules/levels currently in place. Hours were reduced this season from 7am – 8pm to 7am to 6pm to save on staffing levels.
- **Security.** Focus is on communication. Challenges are working with members regarding the 24-hour rule, pets, dog poo, vandalism and speeding. The goal is to not have to write tickets by better informing our members of rules/policies prior to entering the resort. Trying to take a more customer-service oriented approach while still maintaining the integrity of the rules currently in place.
- **Hart Mart.** Started off the season very smoothly. Will continue to monitor/promote sales in conjunction with occupancy levels. Trying new products while maintaining high demanded basics. Continuing to try to maintain nominal margins to provide convenience items to members without taking a loss.
- **Storage.** Hauled in a fair amount of gravel over the past month to address low/wet spots in the storage yard. Working with Eddie's truck sales and other local shops regarding the replacement towter for the old UD. Emphasizing the need for a spotter for anyone parking a camper in the storage yard to prevent accidents. Also working on replacing all ropes between sites. Would love some volunteers to help with this project!
- **Grounds.** Big effort to get caught up on mowing and weed eating after a late, then wet start to spring. We will once again to our own fertilizer and weed killer applications.

Much focus has been on the transplanting of trees from the tree farm. They have planted 150 more trees to replace the ones that have been transplanted up and onto the property. These new bare root trees are located in the back half of the garden. Working with security/maintenance on overall sign replacement.

- **Pool.** Focus on communicating the importance of showering before entering the pool! Did a substantial amount of painting the deck to get ready to open. Now focusing on customer service and maintaining a pristine pool! Will need to look at repainting the pool this fall or next spring.
- **IT.** Researching Wi-Fi solutions, cable TV and security cameras.
- **Accounting.** Jennifer is doing a great job. She has taken on more HR roles during Jackie's off season this year
- **Restaurant.** Received many compliments on the restaurant. The Grillin' and Chillin' options seem to be going over very well. Monte will continue to take customer feedback and address any/all concerns. He appreciates any feedback you can give him.
- **Activities.** Trying to stay leaner this summer with less staff while still providing key services. Garden structure changed from a community garden to plots. Constantly evaluating entertainment based on crowd comment/attendance. Trying to more effectively utilize the Picnic Shelter for increased visibility. Continuing to emphasize growth/involvement in Pee Wee and Junior campers. Also trying to find ways to get teenagers involved in more activities. Expecting rodeos to be more profitable through better staff utilization, more volunteers and addition of barrel racing/intermission.
- **Sales.** Focus has been on geo-targeting radius of 300+ miles. Attended MPLS & Sioux Falls shows. Looking at attending FMCA rally in Gillette in July utilizing volunteers. Currently only have 29 tours booked/completed with a goal of 200.

OLD BUSINESS:

- Update on 9 day buy impact - Wayne Pauli explained that under new contracts - No 9 day buyout during peak season. No comments from members.
- Update on 24 hour rule enforcement
- Other - Tom Harsch asked for an update on the Expansion Committee and requested that we table it and put in on the Agenda for tomorrow. Wayne commented that that committee has not been repopulated since last fall. Site Cleanliness committee has not reconvened yet as well.

NEW BUSINESS:

- Review of Town Hall Minutes - Tim reviewed the comments from last night's Town Hall Meeting.
- Tom Kinnison- yesterday it was brought up about \$25 rate in meadows.- wondering how much have we collected on the increase to date? Tim will get the report of these numbers tomorrow. We can encourage members to review minutes of past meetings to grow awareness of why these incredibly difficult increase decisions had to be made.
- Tim - last year in May meadows - 233 night, 226 this year/ June last year - 736, currently 481.
- Wayne Pauli - we will be evaluating in the fall to see how the increase in meadows has effected the overall occupancy of the resort.

Update on HR Communication -

- Hart Ranch App: Tim -the communication through the new app is great! With the use of push notifications we can send weather and other alerts that a member may receive if they are on site or off site, through adjusting their settings in the app. This communication tool allows for easy access to reach anyone at the Ranch with a touch of a button. All up to date cabin info and pictures are on the app. Right now anyone can download the app - doesn't matter if you are a member or non-member. Offers a great analytics feature to show sponsors the number of people

who view their sites from our advertising.

- Weekly emails - A great way to stay in touch with members. Technology is how we communicate. Wayne Pauli suggested adding a link on the app to allow access to weekly emails. Cabin rentals for nightly rates Sun -Wed for Members as well as Non Members will be mentioned in the weekly email.
- Meet the Manager 4 x's/summer and Meet the Department Supervisors the rest - yesterday we had about 12 members show up, hopefully members are appreciating this new concept. It's an opportunity to get interaction with the Department Supervisors and to appreciate changes being made.

Elmer Pritchard: Wayne will be leaving after today. Thanked him for his service to Hart Ranch and the way he handled the oversight of the resort. We really appreciate it!

ADJOURN MEETING 11:04

EXECUTIVE SESSION: Personnel & Legal Matters- none.