

**HART RANCH RESORT
ANNUAL MEMBERSHIP MEETING MINUTES
June 8, 2019, 10:00
Located in the Pavilion**

CALL MEETING TO ORDER - Lisa Beck (President) @ 9:59 am.

Open with Pledge of Allegiance

Present: Lisa Beck (President), Bobb Stout (Vice-President), Millie McCormick (Treasurer), Elmer Pritchard (Membership Secretary), Tim Schnabel (Resort Manager).

Absent: Nathan Miller (Secretary)

APPROVAL OF THE AGENDA presented by Lisa Beck

Millie McCormick requested the Agenda be amended to include the following under New Business:

- Update Policy 19 in the Bylaws that would include a process for future construction projects. To include details in the process.
- Ask Hart Ranch Development to inspect the bridge after all of the flooding and debris to make sure it is in good shape and to make sure it did not suffer any damage during the floods.
- Add the reading and approval of the 5-10-19 Long Range Planning Committee Meeting Minutes.

Bob Stout requested the addition of Member Comments to be added to the agenda.

- Motion to Approve the new amended agenda: Millie McCormick
- Seconded: Bobb Stout
- Opposed: None
- Motion: Carried

READING AND APPROVAL OF THE 2018 ANNUAL MEETING MINUTES

Presented by Bobb Stout in Nathan Miller's absence (Minutes located on the Hart Ranch Website and in the archives located in the Boardroom at the Lodge)

- Motion to Approve: Bobb Stout
- Seconded: Millie McCormick
- Opposed: None
- Motion: Carried

PRESENTATION OF WORKSHOP MINUTES - June 7, 2019 presented by Bobb Stout in Nathan Miller's absence (Minutes located on the Hart Ranch Website and in the archives located in the Boardroom at the Lodge)

- Motion made by Tom Harsch to amend the minutes to reflect a correction in word usage. Change cooperate to corporate.
- Motion to Approve amended minutes: Bobb Stout
- Seconded: Millie McCormick
- Opposed: None
- Motion: Carried

**PRESENTATION OF THE LONG-RANGE PLANNING MEETING MINUTES
presented by Millie McCormick (Minutes located on the Hart Ranch Website and in
the archives located in the Boardroom at the Lodge)**

Millie McCormick made a motion to change the minutes to reflect the insertion of “A Waiver of Liens” on bulleted item number 2, at the beginning of the last sentence and omit the word It.

- Motion to Approve the amended LRP Meeting Minutes: Millie McCormick
- Seconded: Bobb Stout
- Opposed: None
- Motion: Carried

TREASURER’S REPORT presented by Millie McCormick

As of April 30, 2019, cash in the Pioneer Bank checking account was \$13,265. The Pioneer Bank Money Market balance was \$50,284; Black Hills Federal Credit Union balance was \$96; Med5 Federal Credit Union was \$26; Pioneer Bank Expansion Money Market balance was \$1,510; the Trust Account at Pioneer Bank had a balance of \$11,135. Cash on hand in the ATM machine, petty cash, and change funds were \$7,085.

The following are also balances from April 30, 2019;

Certificates of Deposit - \$316,827
RBC Wealth Management Investments - \$764,262
Community Bank - \$101,802
Black Hills federal Credit Union - \$4,516
State Farm Bank - \$221,446
Synchrony Bank - \$100,537

According to the balance sheet, as of April 30, 2019, total assets were \$5,839,051; total liabilities were \$864,180 and member’s equity was \$4,974,871.

Millie McCormick requested that detailed financials, including all liens, pending liens, and copies of all legal documents, on the Meadowlands Project be placed in a separate archived file so that future BOD’s can review.

- Motion to Approve: Millie McCormick
- Seconded: Bobb Stout
- Opposed: None
- Motion: Carried

MEMBERSHIP REPORT presented by Elmer Pritchard

	2019 Membership #'s										
Report pulled directly from TSW	Active							Total Active	Terminated	Suspended	Mutually Released
(#'s thru end of month)	P	A	B	C	W	2W	1FT/1MT				
January	1470	622	1752	39	56	8	10	3957	389	14	349
February	1468	623	1747	39	57	8	10	3952	393	3	356
March	1465	613	1727	38	54	9	9	3915	391	45	365
April	1466	617	1718	38	54	9	8	3910	392	46	368
May	1467	619	1724	38	55	11	8	3922	415	14	368
June	1468	619	1721	38	55	11	8	3920	415	14	368
July	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0	0

Active	2838	1038	1714	18				5608
Active-ACH	134	117	66					317
YTD Associate #'s	2972	1155	1780	18	0	0	0	5925

- Motion to Approve: Elmer Pritchard
- Seconded: Millie McCormick
- Opposed: None
- Motion: Carried

RESORT MANAGER'S REPORT presented by Tim Schnabel

- Year Ending Financials through December 31, 2018

	December 31, 2017	December 31, 2018	December 31, 2018
	YTD Actuals	YTD Actuals	Budget
Total Revenue	\$ 3,273,045.79	\$ 3,451,281.61	\$ 3,455,360.00
Cost of Goods Sold	\$ 308,089.83	\$ 323,492.25	\$ 334,220.00
Gross Profit	\$ 2,964,955.96	\$ 3,127,789.36	\$ 3,121,140.00
Operating Expenses	\$ 2,704,356.78	\$ 2,684,040.74	\$ 2,820,841.00
Operating Income	\$ 260,599.18	\$ 443,748.62	\$ 300,299.00
Total Other Income	\$ 15,609.34	\$ 32,051.40	\$ 12,000.00
Total Other Expenses (depreciation)	\$ 351,581.05	\$ 320,110.40	\$ 345,000.00
Net Income	\$ (75,372.53)	\$ 155,689.62	\$ (32,701.00)

- Year-to-Date Financials through April 30, 2019

	April 30, 2018	April 30, 2019	April 30, 2019
	YTD Actuals	YTD Actuals	Budget
Total Revenue	\$ 799,341.04	\$ 916,380.14	\$ 756,680.00
Cost of Goods Sold	\$ 36,913.62	\$ 40,226.38	\$ 32,002.00
Gross Profit	\$ 762,427.42	\$ 876,153.76	\$ 724,678.00
Operating Expenses	\$ 638,343.32	\$ 730,270.09	\$ 724,013.00
Operating Income	\$ 124,084.10	\$ 145,883.67	\$ 665.00
Total Other Income	\$ 5,006.76	\$ 21,827.18	\$ 5,600.00
Total Other Expenses (depreciation)	\$ 126,219.73	\$ 122,285.28	\$ 120,000.00
Net Income	\$ 2,871.13	\$ 45,425.57	\$ (113,735.00)

Tim commented that occupancy is up 1% in spite of the Winter and wet weather. Site occupancy is down 1% overall through 5-31-2019. Cabin occupancy is up 23%.

- Update on Capital Improvement are reflected in the Workshop Meeting Minutes **(Minutes located on the Hart Ranch Website and in the archives located in the Boardroom at the Lodge)**
- Motion to Approve Resort Manager's Report: Bobb Stout
- Seconded: Elmer Pritchard
- Opposed: None
- Motion: Carried

OLD BUSINESS:

- Sales Department Update - Our goal is to have a membership of 4000-4100. In 2016/2017 we had high occupancy levels so the BOD omitted the 9-day buy option to all transferred memberships and we implemented the 24-hour rule, which contributed to reducing occupancy in 2018 by 9%. This allowed for more members to use the resort. We had fewer turn aways with the exception of some of the major holidays like 4th of July and Labor Day weekends. We even had room available during the Sturgis Rally. We are able to resale A, B, and P memberships through our resale program. We do not sell new memberships of these types. From a marketing standpoint, we want to focus more on our members. Last year 72% of our membership sales were member referrals. We are not spending time or money on RV Shows, instead we are using those monies to give members a referral bonus to anyone referred to the sales department who purchases a membership. Most referrals to the sales office that purchase a membership will get a \$750.00 bonus, 2nd most referrals will receive a \$500.00 Bonus and 3rd place will get a \$250.00 Bonus. Keep those referrals coming in!
- We currently have 1697 Mobile App users which is a good communication tool for us. We are geo targeting and geo fencing around RV shows that sends a pop up of Hart Ranch. This gives us a lot of exposure for minimal cost. Paul and Ella make a good team in the Sales Office. They are booking a lot of Membership Previews (formally known as sales stays). They do a great job in their presentation and have a "soft sell" strategy. Each Non-Member that checks in is given a personalized request to come and visit with Paul/Ella so they get an opportunity to sell a membership.
- Long-Term Plan Update - Millie went over the revised Long-Term Plan items for 2019. Many of the items previously on the slate for this year were placed on hold until we have a good handle on how much we will be spending to complete the Meadows Sewer Project.

Long-Range Plan items for 2020					
Qty	Description	Cost Each	Total	Recommended	Approved
	Buildings & Land				
5	Cheyenne Siding (materials only--no labor)	\$ 6,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
20	Repair Sites (based on average cost per site)	\$ 2,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
1	Lodge/Hart Mart staining	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00
1	CenterCourt Sidewalk (priced @ \$20/ft (@48"w))	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 12,000.00
1	Gravel for RV storage yard	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
TOTAL LONG-RANGE PLAN ITEMS FOR 2020			\$ 138,500.00	\$ 138,500.00	\$ 112,500.00

NEW BUSINESS:

- Policy 19 update: Millie requests that Policy 19 be updated which talks about the relationship between the BOD and the Resort Manager. She would like it to include a process for future construction projects
- Motion to Table the Policy 19 update to the August BOD Meeting: Lisa Beck
- Seconded:
- Opposed: None
- Motion: Carried
- Millie requested that Tim approach HR Development and have them take a look at the bridge and get it inspected to make sure it is safe to travel over after all of the flooding and debris that we sustained 2 weeks ago.

MEMBER COMMENTS:

- Jim LaPeer - Suggested that we make the update of Policy 19 a practice, not necessarily a policy. He would like to see the BOD have better communication with members. An acknowledgement of a received email would be good. A couple of years ago he made a couple of well thought-out, laid-out suggestions and did not receive any acknowledgement from the BOD. Tim did meet with Jim and heard his comments/concerns but he heard zero from the BOD. The BOD should acknowledge any submission.
- Roseanne Sikora - Would like members to be able to meet the candidates running for election to the BOD before members have to vote. Wants to look them in the eye and have a discussion with them prior to voting. Could we maybe make this part of the Meet the Manager's meetings?
- Jana Flansch - Please paint the big red heart by the snack shack.
- Lydia - Where should we look for changes to activities schedules/venues? Look on the App for current information. Angie explained all of the outlets she uses to get current information to members. Tim also let them know that we send out a Resort Report where we put dates/times/locations of upcoming events as well.
- Alana Wilson - Where is the updated information? On the App thru push notification. You have to log in to the app to receive push notification.
- Maxine Harsch - We assume members have/use the App. Some do not even have computers. How can we better communicate with members that don't necessarily use technology? Tim suggested tuning in to channel 23, check the bulletin boards, channel 23. Our goal is to get change of information out as quickly as possible with all of our outlets.

- Bobb Stout - made a suggestion to get a touch screen for the Mobile App to be placed in the upper lodge for members to preview the most up-to-date information. Tim will do some research to see what it would take to get this done.
- Bob McCormick - The apron at the entrance of Hart Ranch from Spring Creek Road is rough. People are bypassing the rough road and not in their own lanes and it could cause an accident. Tim stated that the County won't touch it so Bob asked if we could have HR Development repair it as it belongs to the Development? Tim stated that we have filled the potholes with gravel before and we have put asphalt patches on them in the past. He will approach the Development to see what they would be willing to do.
- Tom Harsch - Some members are not familiar with apps or smart phones, so what can we do to get information to members on their pc's?
- Jim LaPeer - (held up a flip phone) A lot of us don't wish to have smart phones to communicate. Check website, a nice picture. Have a coder put a line in there for bulletins. and have a link that keeps rolling with changes of happenings at Hart Ranch. It would be a cost-effective way of getting information to those who view our website and that are not up-to-date with technology. Tim announced that we are revamping our website for 2020 and welcomes all member suggestions/input.
- Tom Harsch - He is under the understanding that the county has not done any inspections on the Meadowlands Project. Can we get the county to inspect and approve this project at the time that the pump is installed and before we go any further? If they don't approve it, we could have a problem. We do not know at this time if what has been done will pass a final inspection. Tim is having the underground plumbing videoed to make sure that everything is intact. Tim will visit with the county at the time of the pump installation and verify that the proper certification is carried by the installer.
- Steve Sibell - Are we operational in the meadows right now? No. The goal is to have most of the sites ready to occupy by the end of next week. We have some sites that cannot be occupied by heavy rigs as the trenching down the roadways is a concern.
- Tim Sikora - How many "B" memberships still have the 9-day buy option? The majority of the still have the 9-day buy but do not have exact number. What was the purpose of getting rid of that option? Tim explained that we made that change to address the 2016/2017 occupancy levels and the full-timers. BOD does have the right to reinstate the option. It's good to keep a little inventory available but not too much to allow existing members to get in the resort, still have something to market out there and still have sites available. It's truly a balancing act. The goal was to try to spread out usage to more members. It appears to be working as overall revenue is up occupancy is a little down but we do not want to be 100% full unless it is the last call before closing up for the night!

Tribute to Elmer Pritchard presented by Tim Schnabel

Tim acknowledged the most diverse, passionate staff of 175. In addition to praising the staff Tim mentioned the lifelong efforts of Elmer Pritchard and what he has done for Hart Ranch. Tim made tribute to Elmer and his late wife Ann. There isn't a more passionate employee than Elmer. Elmer worked in grounds as a supervisor for many years and he was very passionate about Hart Ranch and all its beauty. He cared deeply about Hart Ranch's appearance and how it impacted members coming on to property. In addition to his employment with Hart Ranch, Elmer has served on the BOD for the past 3 years. As a Thank You for all of his years of dedication, passion and friendship we are naming the Patio at the Rec Center in his namesake. Pritchard Patio is born!

ELECTION RESULTS:

Prior to this meeting, the BOD validated and completed the election process. The process met all the criteria according to our By Laws. We had 6 applications received for 2 open Board Seats.

Roger Baker reported that we had 753 valid ballots, 16 voted in person this morning and we had 28 invalid ballots. Elmer stated that this election process was a very clean, straight process and read the results of the counted ballots for the new 2019 BOD Members! The results are as follows:

Shawn Donovan - 323
Alex Kulesza - 290
Nathan Miller - 122
Charles Ragains - 239
Paul Rodriguez - 255
Jason Schuelke - 237

Congratulations to Shawn Donovan and Alex Kulesza on their newly elected positions on the Board of Directors.

ANNOUNCEMENTS:

The Annual Membership Picnic is in PSA catered by Spring Creek Grille and 62 BBQ.

Motion to Adjourn: Bobb Stout
Seconded: Elmer Pritchard
Opposed: None
Motion: Carried