

Annual Membership Meeting Workshop

June 9, 2017

BOD Members Present: Wayne Pauli (President), Kathy Payne (VP), Tom Kinnison (Secretary), Elmer Pritchard (Membership Secretary), Bob McCormick (Treasurer), Tim Schnabel (Resort Manager)

The Workshop was called to order by Wayne Pauli at 9:05 am.

Approval of the Agenda

No additions and/or changes were made. A motion to approve the minutes was given by Bob McCormick, with a second by Kathy Payne. There was no discussion and the motion was carried.

Membership Comments

Lydia Chamberlain asked if it was possible to have volunteer nurses, medical professionals to give health screenings throughout the summer season.

Resort Manager Report:

1. Department Supervisors were introduced.
2. Review of the 2016 Financials
 - Explanation of Highlighted Summaries (report available upon request)
 - Derek Jones mentioned that to make improvements to facilities, the capital improvement fund needs to be increased.
 - Lamfers & Maas Financial Review document is available to those who want a copy.
3. Review of 2017 Year To Date Financials
 - Explanation of Highlights for 2017 through April
 - Total revenue through April 30, 2017 is \$773,000
 - Operating Expenses of \$665,000
 - Net Operating income after depreciation of -\$19,000
 - Payroll has increased from 2016
 - ❖ 2 additional full time year round employees
 - ❖ Doing more work with employees rather than subcontracting jobs
 - ❖ Retaining employees longer
 - Health Insurance increases both with annual increase in rates along with increase in number of full time employees.
 - Professional fees decreased due to use of new background check company
4. Update on 2017 Capital Improvements
 - Review of Spreadsheet Budget for 2017 – Highlights
 - Colt Cabins – flooring, utilities, painting, etc.
 - 20 Indoor storage units added (7' x 10')
 - Rental Rates

- ❖ 6x10 @ \$380/year
- ❖ 7x10 @ \$500/year
- ❖ 10x12 @ \$550/ year
- New Furniture in 6 Colt and 2 Dakota Cabins
- Security – Radar Sign @ Welcome Gate added, able to track/record data
- Hart Mart gas pump with 24 hour access, HM doesn't need to be open in the winter. Tim explained the AGK and Passport software systems.
- Activities – Tennis court resurfacing completed (shuffleboard court to be re-done)
- Long Range Plan items
 - 20 additional picnic tables purchased
 - Picnic Shelter A – doors added for multi seasonal use.
 - 60" Kubota Lawnmower purchased
 - Concrete repair – spent less than budgeted due to time restraint
 - Server purchased to replace current 17 yr. old model
 - Seal coating on south half of resort completed in May.
 - We are currently below budgeted expenditures, however, will have additional expenses with siding of Cheyenne cabins and tree purchase

Wayne explains that the BOD uses a formula to calculate the budget, evaluating department needs and requests for capital improvements, and that the 2018 Long-Range Planning budget is complete.

5. Department Updates

- Admin
 - a. Accounting – Jennifer is the Accountant with the goals of first and foremost, maintain efficient and accurate accounting records, make improvements to the process as needed, develop a SOP (Standard Operating Procedures) manual, do more analysis and forecasting, and perhaps eventually take on more Human Resource Functions.
 - b. Technology Services –
 - The goal is to have a proactive approach to handling Wi-Fi requests, issues, etc. Members are encouraged to send complaints, problems, etc., via e-mail or voice messages. They can be called directly at 605-737-5361.
 - Scott is currently scheduled to be deployed in July and Paul V. will be our point person with Mike W. as his right hand man.
 - Grounding of Access Points is a priority as a result of the lightning strike we endured in July of 2016.
 - Working with Midco/Golden West to discuss hardwired sides and/or fiber to all access points.
 - Monitoring overall usage patterns, especially related to streaming video

- Maintenance – there have been numerous projects started and completed from the Kid's Train, Cabin Renovations, Cabin siding, Entrance sign—painted and lighting improved, solar lights in Meadows, AC's in Dakota's, Flooring in Colt, Colt II and Dakota cabins. Current and future projects include cabinets/counter in PS-A, Comfort Station water heaters, vault to access Anderson Lodge crawl space, siding on Cheyenne cabins, storm doors on Colt and Colt II cabins, upgrading of cable TV system, and on-going pedestal repair and maintenance.
- Marketing – this is to retain and sustain memberships with the #1 Goal of member communication via weekly resort reports, Facebook, and member e-mail. Also, Google Analytics reports were shared as to percentages of those looking at our website.
- Sales

Comparisons	2016		2017	
			YTD	
Transfers	146	128 non family and 18 family	66	47 non family and 19 family
New Sales	38		15	13 B & 2 1FT
Resale	5		3	
Sales Tours	32		10	11 Pending
Sold to Tours	12		2	
Transfer Sold to Tour	1		0	
Membership from Referrals	2		2	
Inquirey by Walkin Guests	75			
Sold to Walkins	26			
RPI	8		3	
Assoc. Upgrade	60		4	
Free W	40		2	
Free W Upgrade	28			
Free 1FT			1	
Free W Mutually Released	1			
Free W Declined	1			

- Housekeeping has full staff. Working on methods to attract and retain good employees. Cabin presentation has improved with beds being made/rotated and more décor added. Bid for a reversible dryer to exchange with current dryer is in the works.
- Security

- Communicating with the Welcome Gate about guests arriving has generally worked out well, and we are trying to highly recommend members to communicate with security when guests are expected. The purpose of this is to avoid unwanted/uninvited people onto the property. Have experienced a few security risks in the recent past. The Welcome Center can be contacted directly at 605-737-5370.
- Site Cleanliness – a committee has been developed and has met. The goal is to provide feedback as to what constitutes a “clean” site, what items are/are not acceptable and general guidelines for resort security/management.
- There is a focus on educating and training towards what is expected, via rules, before giving anyone a ticket.
- Better signage for “No Overnight Parking”
- Need to educate kids and parents concerning safety. In the process of developing a public service announcement. All members need to be involved in this process—parents need to be constantly alert as to where their kids are. Teach kids the rules of the road—stay to the right, stop at intersections, ALWAYS look for oncoming traffic, and also obey the speed limit. Drivers need to also be vigilant and on the watch for young children. This is nothing new so working together is essential to continue to provide a safe environment for all members and guests of Hart Ranch. We’ve had a couple of very close calls with vehicles and children.
- Safety topics include speeding, amber alerts, CPR Classes and informing where AEDs are located. May look into offering CPR/AED training for members.
- Front Desk
 - Overall Occupancy rates have increased from 2016. We renting Colt II cabins monthly as a source of revenue during the off-season.
 - Cabins – year to date has an increase of 20% from 2016 up to May 2017
 - ❖ Would like to see more cabins rented Sun-Thurs, maybe by offering lower rates/incentives
 - ❖ If a cabin is empty, mentioned the possibility of renting to B members with a shorter term notice than 60 days, but longer than 24 hours.
 - ❖ Tom Kinnison – suggested that the percentage of occupancy units available on the occupancy report.
 - 8.7% increase for usage, year to date.
 - Winter usage is at 45-50 sites of those wanting to stay year round.
 - Estimated 70% of new/transferred B memberships want to stay year round
 - Software is being evaluated for the reservation, membership and billing systems. This is a very slow process as we have many variables to take into consideration

- The front desk staff is keeping track of member turndowns (in the event we are unable to fulfil a reservation request).
- Storage has 97 of 1000 sites available and the indoor storage units are full.
- Grounds have ongoing projects including fertilizing and weed spraying, mowing and trimming, painting “No Pet Area” on asphalt and location and planting of new trees. Watering of the grass has begun. Trying to retain the upkeep while monitoring the expenses of this process.
- Pool continues to focus on high standards of cleanliness. As we are somewhere between a public pool and “hotel” pool, we try to maintain supervision without the additional liability, training and expense of life guards. Rather, our attendants are focused on maintaining the pool in pristine condition. Due to the extremely high usage, cleanliness (i.e. showers) are critical for all people to take before entering the pool area. Pool/spa related bacteria carried on the human body are becoming much more resilient to chlorine. Thus, to keep the pool open, we need everyone’s cooperation. Tests are sent weekly to the state to ensure safe levels of chemicals, as well as testing for bacteria. If these results come back as being unacceptable, the pool has no choice but to close.
- The Activities Department has two co-directors that are working well together.
 - Softball is being utilized, and the paintball activity is being marketed with a fair price point. Terry Ragels spent much time building these areas of existing materials.
 - Events are communicated on Ch. 23, with fliers, FB, weekly emails and bulletin boards
 - Rodeo Update
 - ❖ Forecasted total expenses is \$87,266
 - ❖ Forecasted ticket sale and concessions revenue is \$31,150
 - ❖ Forecasted net before sponsorships is (\$59,581)
 - ❖ Current sponsorships total \$82,885.
 - ❖ Golf tournament hosted by Spud Creek Rodeo productions will bring in \$10,000
 - ❖ \$82,885 from sponsor revenue is contracted with collections in process.
 - ❖ Evaluation will be done at the end of this summer to determine where HRCR will go with rodeos.

Rodeos this year will be on Wednesday evenings, starting July 12, through August 30th, excluding the 23rd of August due to Central States Fair. Gates open at 5 pm for concessions, BBQ and Beer garden, 6pm Mutton Busting, with the rodeo beginning at 7pm.

Motion to approve the Resort Manager’s Report was made by Bob McCormick with a second by Elmer Pritchard. No discussion and motion was carried.

Old Business

1. Exploratory Expansion Committee Report by Derek Jones
 - Explained what the EEC is researching and that they are still in the information gathering state.
 - TSW reports are inadequate
 - Occupancy is increasing due to no price increasing and number of workampers, with the usage rate staying the same all year round, as opposed to changing during various seasons.
 - Turn away reservations are being tracked for 2017 to be compared to 2016, and the reservations for 2017 are up 10% from 2016, year to date.
 - \$1million in reserves questioned as to whether or not we want to use this to expand.
 - Quote for 30 additional sites is \$341,000
 - EEC would like feedback from members.
 - The goal is to present a series of options, concerning expansion, to the BOD at the end of the year.
 - There is a need of a couple of more people to join the EEC. If anyone is interested, contact Tim Schnabel.
2. Gas Pumps
 - From May – June revenue in 2016 was \$13,000 and in 2017 \$21,000.
 - Inside sales is 7% and pay at the pump is 93% of gross gas revenues.
 - Pricing of the gas is done to maintain a competitive price point.

Break for lunch at 12:13

Meeting reconvened and called to order by Wayne Pauli at 1:15 pm.

New Business

1. Wayne Pauli read through the bullet points from the June 8th Town Hall Meeting, as to what members had suggested.
 - Highlighted points of discussion were train sponsorship advertising being limited, workamper hours and side use, family reunion policy, members required to be present when day guests are present, golf carts on the grass, and webcasting BOD meetings.
2. Pet Policy Discussion
 - Verification of vaccinations will be a point of discussion at Meet the Manager Meetings.
 - Best Practice policy for pets will be looked at
 - Communication with members about the awareness of needing pets vaccinated is important.
 - Will contact local vet clinic (Animal Clinic) to provide vaccination information.
3. Minor Children bringing in guests with a car having a member sticker on it.
 - Parents need to know what the policy is for this. Children who are not associates and do not have an associate card are not allowed to bring in guests if the member is not present. (Limit of daily guests is 5).

- Members are responsible for the guests of their children, and this could affect their membership if problems occur.
 - An awareness of this and child safety needs to be documented and communicated to the parents.
4. Site Cleanliness Committee
- Members include Elmer Prichard as the BOD representative, Bill Campbell from Security and 5 members at large. This is to create diversity and differing opinions.
 - The goal of the SCC is to develop guidelines to give direction as to what site cleanliness should look like.

The BOD Workshop was adjourned by Wayne Pauli at 2:50 pm.