

HART RANCH RESORT MINUTES
WORKSHOP/BOARD MEETING
February 25, 2017

The workshop/board meeting was called to order by Wayne Pauli (President of the BOD), at 1:00 pm. The meeting began with the pledge of Allegiance.

Board Members present: Wayne Pauli (President), Kathy Payne (Vice President, via conference call), Bob McCormick (Treasurer, via conference call), Elmer Pritchard (Membership Secretary) and Tom Kinnison (Secretary). Also present was Tim Schnabel (Resort Manager).

AGENDA

The meeting agenda was handed out to the 25 members who were present. A motion was given by Tom Kinnison to approve the agenda, with a second by Elmer Pritchard. There was no discussion, and the motion was carried.

MEMBER COMMENTS

There were three HR members who presented their view points on the 24 hour rule to the BOD. There were also three HR members who presented their view points about the Cargo Trailer rule to the BOD.

APPROVAL OF MINUTES

A motion to approve the October 14, 2016, BOD meeting minutes, the November 16, 2016, Special BOD meeting minutes and December 29, 2016, Special BOD meeting minutes was made by Tom Kinnison, with a second by Bob McCormick. There was no discussion and the motion was carried.

TREASURER'S REPORT

The Treasurer's Report was provided to the BOD in hard copy form. All balances, as follows, are as of December, 31, 2016

Pioneer Bank Checking	\$ 44,368.00
Pioneer Bank Money Marcket	\$ 165,121.00
Black Hills FCU	\$ 91.00
Med5 FCU	\$ 25.00
Pioneer Bank Expansion MMA	\$ 1,504.00
Pioneer Bank Trust Account	\$ 18,267.60
Cash on Hand (ATM, Petty Cash, Change funds)	\$ 7,010.00
Certificate of Deposit	\$ 377,725.00
RBC Wealth Management Investments	\$ 410,500.00
Community Bank	\$ 248,784.00
Black Hills FCU	\$ 97,685.00
State Farm Bank	\$ 230,409.00
Synchrony Bank	\$ 249,432.00

Referencing the balance sheet, as of December 21, 2016, total assets were \$154,384; total liabilities were \$1,261,793 and member's equity was \$4,892,491.

Tom Kinnison made a motion to approve the treasurer's report, with a second by Elmer Pritchard. There was no discussion and the motion was carried.

MEMBERSHIP REPORT

As reported by Elmer Pritchard, there is a current membership count of 4063.

1486	P Memberships
641	A Memberships
1811	B Memberships
49	C Memberships
71	W Memberships
5	1FT/1MT Memberships

There was discussion about associates coming into the resort

- Associates can use guest nights
- Associates pay for their annual dues upon making reservations if their fee has not yet been paid.
- Currently, it is not a requirement for associate dues to be paid annually if the associate does not use the resort in the same calendar year.

A member commented on associate fees as being mandatory, and that associates should be held at the same standard as members. Tom Kinnison made a motion to put the associate fee discussion on the agenda for the next board meeting. This was second by Bob McCormick, and the motion was carried.

Tom Kinnison made a motion to approve the Membership Report. The second was given by Bob McCormick without any further discussion, and the motion was carried.

RESORT MANAGER'S REPORT

Tim Schnabel went over the financials for the BOD, and stated that a financial summary will be made available in the HRCR Spring Newsletter. In addition, if any Hart Ranch member would like a copy of the financials, they may contact him. These won't be published on the Hart Ranch Website. Also, the 6 year revenue comparison is available and will be sent to the BOD.

- Audit by the State reviewing the financials from 2014-2016 to see if we were applying sales and use tax correctly, and found that there was a short fall of \$387.59, with no penalties and no fines.
- Review by Lamfers & Mass audit was presented and the feedback was positive.

	December 31, 2015	December 1, 2016	August 31, 2016
	Actual	YTD Actuals	Budget
Total Revenue	\$ 2,952,823.95	\$ 3,128,322.18	\$ 3,024,828.00
Cost of Goods Sold	\$ 283,150.99	\$ 306,145.02	\$ 290,075.00
Gross Profit	\$ 2,669,672.96	\$ 2,822,177.16	\$ 2,734,753.00
Operating Expenses	\$ 2,521,937.45	\$ 2,497,585.21	\$ 2,398,095.00
Operating Income	\$ 147,735.51	\$ 324,591.95	\$ 336,658.00
Total Other Income	\$ 14,701.65	\$ 15,243.62	\$ 12,000.00
Total Other Expenses (depreciation)	\$ 354,426.08	\$ 386,081.81	\$ 353,000.00
Net Income	\$ (191,988.92)	\$ (46,246.24)	\$ (4,342.00)

Capital Improvements by Department/Department Updates:

- Maintenance
 - All Colt Cabins will be remodeled inside and outside by the start of the season.
 - French doors were installed to replace sliding doors on all Cheyenne cabins
 - Flooring in the last Cheyenne has been complete. Additional flooring will be installed in up to 5 Colt II Cabins to replace old carpet and/or damaged vinyl.
 - There will be 20 10x7 indoor storage units schedule to be completed mid-March.
 - Purchase of the new gas pump was estimated at \$48,000 and HRCR obtained it for \$44,000. Pending frost and weather, it is estimated to be installed by April 1st.
 - 20 picnic tables have been purchased, and need to be assembled.
 - Picnic Shelter A doors are almost complete.
 - Tipi's have not been ordered, yet. Tim is still doing research and when he has more information, he will present it to the board.

The question about the water/sewer contract was raised, about expiring in Dec. 2016. Tim addressed this by letting the BOD know that the contract did expire, and a competitive analysis was done to determine if HR development rates were practical. The rates were found to be fair. The contract was renegotiated for 4 additional years.

- Lodge
 - We are researching software, and what each department requirements are needed, and having possible online reservations option. This will be a very slow, deliberate process as we have many rules and revenue centers to take into consideration.
- Sales
 - We are no longer selling new A and P memberships; only what is on the resale list.
 - W Memberships have been discontinued with existing W Memberships grandfathered in.
 - The focus on new sales will be for the B and 1FT memberships.
 - 1FT is an "introductory membership" with a one week stay in the peak season. A selling point is that of promoting RPI.
- Activities
 - We have two supervisors for 2017; Esther Needle will take care of the activities for our adult members and Angela Tejeda will be supervisor of the youth and children's activities.

- Activities will include Paintball, use of our new Softball Field, Outdoor movies, Summerfest, etc.
- We have a new Rodeo Producer. Nate Morrison of Spud Creek Rodeo Series. Rodeos will be every Wednesday evening from July 12 – August 30th, with the exception of August 23rd due to the Central States Fair.
- Grounds
 - Victor Tejeda is our new Grounds Supervisor. He will be starting immediately on numerous grounds projects to get ready for the upcoming season.
- Security
 - The focus for 2017 is training in customer service and handling security situations from that point of view.
 - We will have a trainer from West Dakota Tech for a May 1st training.
 - Cameras have been added to the inside and outside of Hart Mart, as well as a camera at the storage gate. Some have voice recording.
 - The 10 mph Speed Limit will continue to be an area of primary enforcement.
 - Parents are needed to please keep watch of their children for safety reasons. Children are expected to comply with the same rules regarding speeding and crossing between sites as adults do.
- Housekeeping
 - The focus from housekeeping is that of reporting what needs to be replaced and where. We received many compliments on cleanliness this past year and will continue to strive to make improvement there as well.
- Admin
 - Jackie Peterson was hired as a workamper to be the HR director, as a resource for employees. She will be involved in the intake process, training and follow-up with employees after training.

The Resort Manager gave a brief report on occupancy, stating that there continues to be an increase in demand. Based on trends in the RV and camping industries, we expect 2017 to be yet again a very busy year!

A motion was given by Elmer Pritchard to approve the Resort Manager's Report. The second was given by Bob McCormick. There was no further discussion and the motion was carried.

OLD BUSINESS

Derek Jones (acting chairman for the Exploratory Expansion Committee) presented and explanation of the data presented to the BOD and a member, concerning what the EEC has put together to date.

- Derek shared the percentages of usage, reservations analysis, growth of member visitations from 2008 to 2016 and percentages of members throughout the USA and Canada.
- Derek shared that the EEC would like to be able to present various options concerning expansion when the research process and data gathering is completed. He suggested that the committee needs to look at the entire membership and accommodating the membership as a whole.

- We need to understand that banks look at financial of an organization before financing a project.
- Anything over \$150,000 in expenditures will need to be voted on by the HRCR Membership.

The data presented by Derek Jones was received well by the BOD and members present.

- The reservation staff will be tracking turn away reservations in the summer season.
- Tom Kinnison suggested putting the turned away reservations into the reservation matrix under a non-peak season month to keep track, and to give access to the staff to call back if there are any cancellations during the dates first requested by those turned away.
- As facts are gathered by the EEC, opinions will need to be formulated.

A motion was made by Tom Kinnison to have the Cargo Trailer Policy Reconsidered. There was a second by Elmer Pritchard.

Discussion was had concerning the cargo trailer policy:

- It was put into effect due to aesthetics and safety.
- It was stated that numerous members were in favor of this policy and as well as numerous members not in favor of this policy.
- There was comment of Policy 6 that addressed aesthetics and that this policy should be enforced.
- A member commented that the workampers need to keep their sites up to the aesthetic policy, as well.

After the discussion there was a vote on the motion establishing a cargo trailer policy from the Board Meeting dated October 14th, 2016. The motion failed, therefore the previously established cargo trailer policy was defeated.

A motion was made by Tom Kinnison to reconsider the 24 hour policy. A second was given by Bob McCormick.

There was a discussion about the 24 hour policy:

- It was suggested that the 72 hour rule stay as is and data collected in the peak season as to issues that arise in reports of the 72 hour policy being broken.
- Once data is gathered the 24 hour rule will be put on the agenda for the October BOD meeting.
- It was suggested that when a member is reported for breaking the 72 hour rule, that they would get a phone call before any action is taken.

There was a vote on the motion to change the 72 hour policy to a 24 hour policy. The motion failed therefore the 72 hour policy will remain in effect.

Seasonal Sites:

There was an update given concerning seasonal sites. Tim reported that out of the 10 reserved for seasonal stays, 4 sites have been reserved. The others have not been reserved due to those from the waiting list felt that the price was too high.

Review of Bylaw and Ballot Structure:

- There were 3000 e-mails sent of the Bylaws with a mailer to follow to the remaining members that do not have emails on file.
- The feedback was positive.
- The only point of contention presented at this time is the verbiage of a removal of a BOD member.
- Legal counsel has been obtained on proposed changes.
- A physical copy of the proposed Articles of Incorporation and Bylaw changes can be obtained by contacting Tim Schnabel or Aimee Dent. Please note this does not include Policies and Rules and Regulations.

NEW BUSINESS

- 90 or 60 day reservation policy briefly discussed.
 - Associates cannot be excluded. They are entitled to the same reservation policy as primary member.
 - Is there any value in changing current policy? Feedback by members could prove helpful to answer this question.
- Approval of POP for employee health insurance
A motion was made by Tom Kinnison to approve the Premium Only Plan for the employee health insurance policy. A second was made by Bob McCormick. There wasn't any discussion, vote was unanimous, and motion carried.
- Tom presented the idea of being able to Webcast our Board meetings so all members would have the opportunity to observe meetings as they occurred. Tim will research the accessibility issues and cost of being able to do this.
- Review of BOD Candidate – Lisa Beck
 - Lisa introduced herself as a nominee for the BOD.

A motion was made by Tom Kinnison to adjourn the meeting. A second was given by Bob McCormick. Motion Carried.

The BOD Workshop/Board Meeting was adjourned at 4:50 pm.

The next BOD meeting will be the Long Range Planning meeting on Wednesday, May 10th, 2017.

The Annual Membership Meeting schedule is as follows:

Thursday, June 8th, Town Hall Meeting, 6:00pm in the Pavilion

Friday, June 9th, Annual Membership Workshop, 9:00am in the Pavilion

Saturday, June 10th, Annual Membership Meeting, 10:00am in the Pavilion

These minutes have been submitted by the Secretary, reviewed by the President and will be subject to review and approval at the next regularly scheduled Board Meeting.