

**Hart Ranch Camping Resort Board of Directors**  
Quarterly Meeting Minutes (Unapproved)  
August 26, 2017

Members Present:

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

This meeting was opened at 10:02 am by Wayne Pauli, BOD President

The meeting began with the pledge of allegiance.

The agenda was approved with the addition of the Workshop New Business item number 2, from the August 25th Workshop added to the New Business of this BOD meeting.

The minutes from the Aug. 25, 2017 workshop were read by Lisa Beck. The following additions and corrections were placed into the minutes read by Tim Schnabel, as members addressed the needed changes and corrections:

- Pg. 2 - Country not county
- Full timers - not winter
- Jim will send his additional comments via e-mail and minutes will be amended.
- Dotty's suggestions of 7 consecutive nights for associates to read as Sunday-Thursday.
- Kristin's comment about those who use the resort more was to read tiered maintenance fees.

Bob made the motion to approve the amended changes. A second was given by Lisa Beck. Motion Carried.

Lisa Beck asked to approve the minutes of the Annual Membership Meeting from June 10, 2017, in the form of a motion. The 2nd for the motion was given by Tom Kinnison. Motion carried.

**TREASURER'S REPORT BY Bob McCormick**

As of July 31, 2017

• Cash in Pioneer Bank Checking	\$180,439
• Pioneer Bank Money Market	\$33,209.37
• Black Hills FCU	\$91
• Med5 FCU	\$25
• Pioneer Bank Expansion Money Market	\$1,504
• Trust Account at Pioneer Bank	\$21,006
• Cash on hand in ATM, petty cash and change funds	\$9,655
• Certificates of Deposit	\$380,015
• RBC Wealth Management Investments	\$113,975
• Community Bank	\$248,784
• Black Hills FCU	\$98,166
• State Farm Bank	\$127,563
• Synchrony Bank	\$250,173

Total Assets \$5,643,836; Total Liabilities \$828,718; Member's Equity \$4,815,119

- August 31, 2016 Capital Reserves was \$1,344,000. Today the capital reserve is ahead by \$75,000 for one year ago.
- Comment: The equity divided by 4,000+ members, each membership equity is \$1200. The drop in member equity from 2012 is \$½ million due to depreciation and money not put into reserves.
- There is no service fee for accounts with small balances.
- Investments are made by Paul Alink, Tim Schnabel, and reviewed by the BOD. The HRCR investment strategy, pre Tim Schnabel, is ultra conservative.
- Wayne mentioned that HRCR does not owe money to anyone.

Elmer Pritchard made the motion to approve the Treasurer's Report. A 2nd was given by Lisa Beck. Motion Carried.

#### **MEMBERSHIP REPORT BY Elmer Pritchard**

Year to date Hart Ranch Camping Resort has 4036 members:

- P - 1482
- A - 629
- B - 1801
- C - 47
- W - 62

There are a total of 6,450 Associate Members to date.

Discussion:

- Is there a resale list? Answer from the Sales Dept. B = 3, A=10, P=13
- Are there transfers available between membership types? Answer by Tim Schnabel - It is limited based on availability of cabins. Most want an upgrade to P, but need to realize it is still based on availability. However, we are allowing upgrades for medical reasons with documentation. Also, B to A upgrades will be reviewed in October.
- Did rates of cabins go up? Not at this time. They did for 2017.

Bob made the motion to approve the Membership Report. A 2nd was given by Lisa Beck. Motion Carried.

#### **MANAGER'S REPORT BY TIM SCHABEL**

- Tim went through the financials sheet presented on the screen highlighting the bottom line under each category. Financials are available for review per member request.
- There were no new sales in July due to limiting Sales Stays to allow for maximum utilization by members.
- At the October BOD meeting the goal is to discuss how to maintain sales and solve occupancy issues.
- Tim explained that occupancy is analyzed through the data gathered at the front desk, in sales and what the percentages are for sites, cabins, meadows, and tent sites.
- Colt Cabin usage was up due to remodeling.
- Year to date occupancy comparisons from 2006 to present were explained.
- Associates account for 7% of the overall occupancy.
- RPI does allow for us to adjust site usage during holiday weekends and Sturgis week. And we have approximately 300 HR members who are RPI members.
- 2010 and 2011 occupancy decreased, however each year since then, occupancy has increased.

Discussion:

#### Workampers

- \* 3 non-member sites. Non-member workampers can be a recruiting tool, and they work 26 hours for their site.
- \* Supervisors are evaluating demands for each department. Services provided are part of the evaluation process, and we are looking at what is needed for 2018.

## OLD BUSINESS

### Sales Department Update

The Sales Report from January 1 – August 25, 2017:

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| • Transfers                       | 110 (81 non family and 29 family) |
| • New Sales                       | 17 (B = 15 and 1FT = 2)           |
| • Resales                         | 3                                 |
| • Sales Tours                     | 31 completed and 4 pending        |
| • Referral Stays/Tours            | 6                                 |
| • Memberships Sold to Sales Tours | 3                                 |
| • Membership from referrals       | 3                                 |
| • RPI Sold                        | 7                                 |
| • Associate Upgrades              | 5                                 |
| • Associate Additions             | 52                                |
| • Free 1FT                        | 2                                 |
| • Free W                          | 2                                 |

Tim noted that all new members and associate becoming members through upgrades and/or family transfers have background checks completed.

We are looking at doing a Facebook marketing push for those who live outside of a 300 mile radius for Sales Tours, for the month of September.

Elmer Pritchard made the motion to approve the sales report. A 2nd was given by Bob McCormick. Motion Carried.

## NEW BUSINESS

- Bob McCormick made the motion that in 2018, only 70 workamper/employee sites are to be utilized as determined by the Resort Manager as to how make this work. A 2nd was given by Elmer Pritchard. Motion Carried.
- Tom Kinnison made a motion to have those with multiple moves within their 21 night reservations to pay the initial fee of \$12 from storage to site and \$12 from site to storage without additional fees for moves from site to site within the 21 day reservations. A 2nd was given by Bob McCormick.

Discussion:

- Members discussed this with some for and some against the motions. Some stated that if members cannot make a reservation 60 days in advance, they should have to pay the moving fee as a consequence. Other stated that for some 60 days in advance is not doable, due to lifestyle and scheduling.
- The fact that reservationists have to make multiple reservations with the multiple moves, when a site is not available for a length of requested days, there is more work involved.
- This motion does not apply to a 9 day buy. If moves are required for the 9 day buy, the member still pays the \$12 for each move.

The motion was voted on by the BOD. Motion Carried.

Tom Kinnison made a motion to put a moratorium on year round campers with those already on the books as full-time winter campers to be grandfathered in. A second was given by Elmer Pritchard.

Discussion:

- It was explained that those who are already winter campers will not be affected.
- The goal is to keep more winter campers from becoming full-time campers at HRCR during the peak season.
- Wayne Pauli asked how we would operationalize this motion.
- The rate changes made yesterday (August 25th) were discussed in light of this motion. Bob explained that patterns of membership reservations may change with the new rates. Bod went through the rates for each time period of reservations based on rate changes:
  - \* 1st 30 days (21 plus 9 day buy) = \$10.80/day
  - \* 60 days (plus 2nd 9 day buy) - \$783 = \$391/month at \$13.05/day
  - \* 90 days \$1620 = \$540/month at \$18/day
  - \* 120 days \$2457 = \$614/month at \$20.48/day

Motion withdrawn.

Tom Kinnison made a motion to limit the number of verified sites in the resort, in the winter, for full-time to what the current number is plus 1. A second was given by Lisa Beck.

Discussion:

- The "why" behind this motion was asked, as well as the how of operationalizing this idea.
- Bob reiterated that only 30 of the 50+ winter campers stay full time during the summer.
- Tom voiced his concern about adding more winter occupancy will contribute to the summer occupancy problems. Also, Tom reiterated a member's concern about not wanting area industries to send employees to HRCR to live for a lower cost than in town, and not making HRCR a "cheap place to stay."
- Idea of creating a winter only membership was shared. Tim Schnabel agreed that this would be a good idea. Tom, also, stated that those members who already stay in the winter under their membership type would be "protected".
- Wendy shared that they purchased their membership with being told they could stay year round. Full time year round campers keep their money at Hart Ranch - gas, propane, groceries, etc., and in the winter it really is not a "cheap place to stay."
- It was mentioned by members and Bob McCormick that the rate changes may result in

memberships being lost.

- Tom presented the need to have more spaces for the times of the year when occupancy is a problem.
- Members mentioned that this is a membership resort and members should be able to do what they signed up to do when they signed their contracts.
- One member stated "Expand to resolve the problem."
- Winter campers follow the same rules and bylaws.
- A member asked for clarification on the deed restriction.

Deed Restriction Reads as follows: **Section 10. DISSOLUTION OF THE CLUB.** In the event that the Club is dissolved, assets of the Club, including the real property, shall pass to a trust benefiting a so named state non-profit agency, which shall be established to dispose of the Club's assets and to distribute the proceeds, in accordance with South Dakota Law. In accordance with the warranty deed accompanying the granting of the property to the Club by the Hart Ranch Development Corporation, the land only would revert to the Hart Ranch Development Corporation if it were no longer used as a recreational vehicle Resort facility. The Hart Ranch Development Corporation has already been compensated for the real property.

- BOD does not want to get to the place where the deed restriction is violated.

Lisa Beck did a roll call vote on the motion:

Tom - Yes      Bob - No      Elmer - No      Lisa - Yes      Wayne - No

Motion not carried.

Tom made the motion to continue the rate for 2018 concerning Associate Fees, Cabin Rates, Storage Moves, and Maintenance Fees to remain as they are. A 2nd was given by Bob McCormick.

Motion Carried.

It was determined that the next Exploratory Expansion Committee will meet after bids are in from various companies.

Tom Kinnison made the motion to adjourn the BOD Meeting. A 2nd was given by Bob McCormick. Motion Carried.

This BOD meeting was adjourned at 12:14 pm.