

**Hart Ranch Camping Resort  
Quarterly Membership Board Meeting  
October 27, 2018**

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

Absent: Nathan Miller (Secretary)

**Call to Order:** The meeting was called to order by Lisa Beck at 10:00 am.  
The meeting was opened with the Pledge of Allegiance.

Elmer Pritchard made the motion to approve the agenda for the Quarterly Membership Board Meeting.  
Bobb Stout 2nd.  
No further discussion, motion carried.

**Presentation of Workshop Minutes from October 26, 2018:**

Millie McCormick made the motion to approve the minutes for the Quarterly Board Workshop Minutes.  
Elmer Pritchard 2<sup>nd</sup>.  
No further discussion, motion carried.

**Treasurer's Report given by Millie McCormick**

As of September 30, 2018

• Cash in Pioneer Bank Checking	\$271,355
• Pioneer Bank Money Market	\$100
• Black Hills FCU	\$95
• Med5 FCU	\$28
• Pioneer Bank Expansion Money Market	\$1,507
• Trust Account at Pioneer Bank	\$16,298
• Cash on hand in ATM, petty cash and change funds	\$7,035
• Certificates of Deposit	\$347,689
• RBC Wealth Management Investments	\$412,427
• Community Bank	\$101,040
• Black Hills FCU	\$103,283
• State Farm Bank	\$15,279
• Synchrony Bank	\$240,121

Total Assets \$5,601,073; Total Liabilities \$663,187; Member's Equity \$4,937,886

\*Elmer Pritchard made a motion to approve the Treasurer's Report.  
Bobb Stout 2nd.  
No further discussion, motion Carried.

### **Membership Report given By Elmer Pritchard**

- P - 1472
- A - 629
- B - 1764
- C - 41
- W - 60
- 2W - 9
- 1FT/1MT - 10

Year to date, Hart Ranch Camping Resort has 3985 members. The total associate count is 6136.

\*Bobb Stout made a motion to approve the Membership Report.

Millie McCormick 2nd.

No further discussion, motion carried.

### **Resort Manager's Report**

- Financial Report, year to date, for 2018 can be found in the minutes from the October 26<sup>th</sup> workshop minutes. Tim noted that our net is up \$169,000 from last year and we are ahead of this year's budget by \$37,000, so the financials for 2018 are looking good.
- The Capital Improvements highlighted were the electrical updates to CS5 & CS1, PSA east and PSA, electronic key locks, rekeyed entire resort for enhanced level of security and better key control, and cabin 450 that was previously used for the masseuse was remodeled and put back into rentable status .

\*Elmer Pritchard made a motion to approve the Resort Manager's report.

Bobb Stout 2nd.

No further discussion, motion Carried.

It was noted that the financials and projected budget are available upon request by contacting Tim Schnabel.

### **Old Business**

#### **1. Sales Department Update:**

We have had a new supervisor in the sales office since late June, Paul Alink, who has done an excellent job of revitalizing the sales program. We are heavily focusing on the resale program, along with that, an emphasis on selling 2W and 1FT memberships. Transfer fees were increased to \$1000.00 as it is not cost effective for HR to do so for less. We will continue to encourage sellers to list with HR in an effort to keep the values of HR and revenue here at HR. We will use our 4,000 members sales force to help us gain referrals and new membership sales as research has shown that most of our buyers come from member referrals.

#### **2. The Board addressed a concern from Dottie's letter questioning why winter stays are only \$10 per night instead of following the summer season rates.**

Bobb Stout made a motion to leave the current fee structure in place.

Millie McCormick 2<sup>nd</sup>.

No Further discussion, motion carried.

3. Discussion regarding the 2019 Budget was resumed from the workshop. Changes were made to decrease certain proposed capital improvements and other operating expenses in lieu of approval of adding sewer to the Meadows. The summary of the 2019 Operating Budget is as follows:

	2017 ACTUAL	2018 BUDGET	2019 BUDGET
Total Revenue	\$ 3,273,045.79	\$ 3,477,360.00	\$ 3,702,605.00
Cost of Goods Sold	\$ 308,089.83	\$ 334,220.00	\$ 398,362.00
Gross Profit	\$ 2,964,955.96	\$ 3,143,140.00	\$ 3,304,243.00
Operating Expenses	\$ 2,704,356.78	\$ 2,829,487.00	\$ 3,079,739.00
Operating Income	\$ 260,599.18	\$ 313,653.00	\$ 224,504.00
Total Other Income	\$ 15,609.34	\$ 12,000.00	\$ 16,800.00
Total Other Expenses (depreciation)	\$ 351,581.05	\$ 345,000.00	\$ 360,000.00
Net Income	\$ (75,372.53)	\$ (19,347.00)	\$ (118,696.00)

Bob Stout made a motion to approve the 2019 Operating Budget.

Elmer Pritchard 2<sup>nd</sup>.

No further discussion.

Lisa Beck, Elmer Pritchard, Bobb Stout vote to approve, Millie McCormick votes to not approve.

Motion carried.

4. Victor Tejeda's concern about increasing fines to dissuade "repeat offenders" will be addressed by better enforcement of our rules and assess fines when needed.
5. Victor Tejeda's concern about eliminating the non-member, 24 hr. in advance reservations will be continually monitored by security and the sales team. These stays will give us an opportunity to reach out and assess the possibility of a potential new memberships.
6. A media message regarding the updating of the exercise equipment in the lower lodge will be reviewed for cost effectiveness. Tim Schnabel will research, but at this time it is the opinion of the Board that our current equipment is adequate and that new equipment is not necessary. Efforts will continue to maintain the equipment in the best possible manner. If equipment fails, or becomes too dangerous to operate, it will be removed and/or replaced.
7. Discussion regarding the rodeo arena and the purchase of the equipment was explained that until such sponsorship revenue is raised, albeit our intent to purchase it is such, at this time we do not have the generated revenue to do so. When revenue from sponsorships reach the level that will cover the cost of the arena we will proceed. However, at this time we have a ways to go.

This meeting was adjourned at 10:38am. The next BOD meeting will be a conference call held on February 9<sup>th</sup> at 9:00 am.