

BOD WORKSHOP MINUTES

August 26, 2016

The workshop was called to order at 9:00 am by BOD President, Wayne Pauli.

Those in attendance were Wayne Pauli, Kathy Payne, Dotty Johnson, Elmer Pritchard, Bob McCormick, and Resort Manager, Tim Schnabel.

The workshop was open to member comment:

- Bob McCormick presented his thoughts on the expansion with an elephant pie chart broken down in quarters of \$250,000. The discussion was about how to raise the funds necessary for the first \$1 million of the project. This included cut backs, raising fees, increase Rodeo profit in 2017. Also, a onetime fee of \$50 to the November bills to be had that would go towards the expansion fund.
- A member offered to submit a plan on raising \$10 million in 5 years without raising costs and at no risk.
- No date given to complete expansion.
- A member brought up a concern about permits for building.
- Off season revenue is being discussed to involve the Spring Creek Grille for possibly bringing corporate conferences, retreats, and/or holiday parties.

MANAGER'S REPORT:

- Tim went through the highlights of the financials, including fees, member fees, site rentals, electricity revenue, Hart Mart, golf cart rentals, sponsorships, etc.
- Overall gross revenue through July 31, 2015 was \$1.8 million and through July 31, 2016 was \$1.9 million; this year \$26,000 over budget to revenue.
- Explanation of Professional fees including accounting, legal, and background checks.
- Maintenance is down.
- Supplies for the resort are ordered through one person to try and keep better control of expenses.
- Allocated expenses = Electric, Gas, Water, Sewer, Trash.

DEPARTMENT REPORTS:

- Monte – Spring Creek Grille: Stating this has been a learning process, focusing on food quality and customer service.
- Arlene – Housekeeping: Asking for pay increase to \$10 for employees, and reported that she was short of help this season, and that kids hired don't want to do the work expected.
- Hugh – Storage: Referenced that trucks used to do moves are getting older, reorganizing and branding in new storage area was nearly completed and storage moves will end October 2nd.
- Ed – Grounds: Projects during the season were shared as well as biggest challenge to the department is that of members not cleaning up after their pets, causing problems with the

equipment. The second challenge faced is that of the cargo trailers being larger, open on grass, and asking to allow them to be parked in the meadows.

- Sally – Front Desk/Reservations: The greatest goal is to increase empathy, compassion, respect, etc. of staff. Another goal is to figure out how to book family reunions in the fall, rather than during summer season.
- Bill – Security – Main concern is the lack of respect by members, associates, and guest for the authority of HRCR security. There is a question as to how to present authority to where it is taken seriously by members/guests.
- Diane – Hart Mart: Greatest concern is the gas pumps, as they are on last leg, possible to look into a 24 hour pump system. Would like to see expansion to HM for back stock to cut down on shopping trips.
- Mal – Pool: Comments made about new heater, sound system, and variety of toys for kids. Goals are to have applications of workampers out earlier, and need to find younger staff, and would like to see a footbath. Need to look into sandblast and repaint bottom of pool, and repainting of deck.
- Roy – Maintenance: There have been a number of accomplishments with building a Redwood, having open houses, installation of a water line at Pool CS, and involvement with projects in resort. Challenges are concerning the main water meter and need to replace it, concrete repair on pads, pickle ball and tennis court repairs. We do have a member of maintenance now certified to work on A/C units. Some goals involve asphalt sealing, picnic shelter A doors, lighting improvements. Asking to have another Mini-Truck for Maintenance.
- Tabitha – Sales: Reported that challenges are not being able to book sales tours for potential members, frustration of members due to not able to do upgrades, and potential members wanting sites to where they will not have to move. Goals are to better screen for sales tours, associate marketing, and fees for associates raised/mandatory, and expansion. Tim mentions that Craig's list is our greatest competitor.

Dismiss for Lunch at 12:35

Reconvened at 1:45 pm

OLD BUSINESS:

- Seasonal Site discussion: Motion made by Kathy Payne, Second by Elmer Pritchard \$800/month for a 5 month stay, \$850/month for a 4 month stay and \$900/month for a three month stay. This would be in addition to electric charges and taxes if applicable. This would also include a \$200 non-refundable security deposit due at time of application with the balance of the stay due March 1, 2017. MOTION CARRIED
- Overview of Pet Side Expansion Trial: Motion by Kathy Payne to keep the area of pet expansion as it is currently set. Second given by Bob McCormick. Payne, Pritchard, McCormick voted in favor, Johnson voted against. MOTION CARRIED

- Update of Storage: There are 1011 sites with 93 currently available. Motion made by Bob McCormick to take 50 storage sites and allow them to be used as 2nd units, by members who request them, for 1 year; 90 day notice @ \$275 fee. Second by Elmer. MOTION CARRIED
- Overview of Expansion/Utilization Concepts: Wayne asked for a motion to the creating of a committee made up of 2 BOD members (Bob and Elmer), and 3-5 At Large Members. Kathy Payne makes the motion, Dotty Johnson 2nd the motion. MOTION CARRIED.
- Tipi Village: 3 18-foot at \$4000, with revenue of \$30-\$50 per night, with Tipi on platforms. Insurance will not be greatly impacted. No motion, no decision made.
- Water/Sewer contract: This is still in the process of researching local pricing and options.

NEW BUSINESS:

- Bylaw Special meeting to reconvene August 26, 2016 at 8:00 am to 10:00 am.
- Change Policy #26: Black-out dates for RV sites include the Fourth of July Holiday weekend (as defined by Federal guidelines), Sturgis Rally and Labor Day Weekend. Kathy Payne motioned that changes be made. Second by Elmer Pritchard, and third by Bob McCormick. MOTION CARRIED>
- Review of 2017 Rates: Elmer made the motion to keep the Maintenance Fees as they currently are. Second motion by Bob. MOTION CARRIED.
- Usage fee, maintenance fee, associate fees discussed and tabled for October BOD meeting.
- Bob McCormick made the motion to add 20 indoor storage units, approximately one foot wider than what we now have. Motion second by Dotty Johnson. MOTION FAILED. To be discussed further in October.
- Bob suggested the BOD to consider a \$25 a month fee for those selling their units, placing them in are below the Cheyenne Cabins, with a \$25 fee given to sales staff for showing the unit if member is unable to do so themselves.
- Review of Family Reunion Policy: Tabled until October BOD Meeting.
- 72 hour policy: Do away with this, or change to another policy, possibly implement 24 hour rule.
- Sales Concept for 2017: Question as to keep or dissolve resale. Sales Stays are tied into expansion, and looking at having Sales Stay on Sunday-Thursday only. Possibly look into a new membership of a 14 night stay only, and dissolve W memberships, and discontinue selling B-P as they currently exist. Tim informed the BOD that Associate Upgrades at \$250 will discontinue as of December 31, 2016.
- Sponsorship/Partnership with RV Dealers: Tim informed the BOD that the Free W option will be discontinued. To be looked into is the idea of promoting the facilities to be used for corporate meeting, retreats, etc., with option of cabin use.
- Housekeeping for 2017: Looking at a company to hire J1 workers. Further research and proposals for staffing in housekeeping will continue.

The workshop adjourned at 6:00 pm with the BOD going directly into the Executive Session.