

HART RANCH RESORT
MINUTES of the
WORKSHOP
October 16, 2015
8:00 AM
Hart Ranch Lodge Meeting Room

The workshop meeting of Hart Ranch Resort (HRR) Board of Directors (Board) was called to order by President Karen Ripperda (Ripperda) at 8:00 AM on Friday, October 16, 2015.

Board members present: Kathy Payne (Payne), Bob McCormick (McCormick), Wayne Pauli (Pauli) and via conference telephone call, Vikki Day (Day). In addition, Resort Manager Tim Schnabel (Schnabel) was present along with a contingency of members.

On a motion by McCormick and second by Payne the agenda for the workshop was approved. All members voting Aye

The first order of business was **member comments**

The list of issues included:

- Excess personal property at RV sites
- Pet kennels, and why they were not being accepted
- What constitutes too many pets at one site?
- Speeding, especially bad since the summer is over
- Too many rules – let's use common sense – seems like at time the rules are arbitrarily enforced
- An online reservation center would greatly help usage of all the sites during peak season
- Availability of storage (for associates too)
- Referral stays
- Mail sorting
- Winterization of RVs
- Storage moves – increase the fees
- Dispelling rumors of the cost of Oktoberfest

The Board thanked the members for bringing forward their concerns, ideas, and potential solutions.

Resort Manager's Report – this will be handled within and during the annual budget review held later in the meeting.

Old Business:

Expansion of the storage area.

Schnabel's goal is to get 400 registered Pennington County voters to sign the petition to present to the Pennington County Commissioners for the abandonment of the section line of the sound edge of the HRR property line. To date approximately 250 signatures have been obtained. A member in attendance volunteered to circulate the petition in hopes of obtaining the final 150 signatures needed.

Pat Wyss, the designer of the original HRR was not able to attend to discuss the expansion, but he did provide a drawing for those in attendance to view. The drawing is available at the lodge for any interested members to see. In addition to the storage expansion it also includes the southern expansion of HRR for a total build out to the South.

A motion was made by Payne and seconded by McCormick to use up to \$50,000.00 of Resort reserves to fund the RV storage expansion. This is contingent upon the approval of the Pennington County Commissioners. As revenue is collected the funds to be returned to reserves. All members voting Aye.

Rodeo

A discussion was held regarding the 2016 rodeo. Two plans were looked at, plan A was 1 rodeo over 2 days, and plan B was two rodeos over 2 days. On a motion by Day and seconded by Pauli, Plan B was accepted subject to the raising of \$50,000.00 in sponsorship fees by the February Board meeting. Voting Aye: Pauli, Day, and Ripperda. Voting Nay: McCormick and Payne. Motion carried

Family Reunion review & Update for 2016

Upon discussions held during the August Board meeting no action was deemed necessary.

Service Pet Policy

A letter and draft policy from HRR legal counsel was reviewed. On a motion by Pauli and seconded by McCormick with all members voting Aye, the Service pet Policy was approved.

The workshop recessed for 10 minutes at this point

The workshop reconvened with:

New Business:

Sales Department

Schnabel lead the Board and membership thorough a review of the sales department at HRR. It was determined that the referral stay fee would stay at \$39.95.

Statistics year to date on the referral program:

Of Referrals = 36 # that turned to members – 7 = 19.4% conversion rate

Of Sales Stays = 101 # that turned into members – 23 = 22.8% conversion rate

The projection for membership upgrades in 2016 is as follows:

○ Associate upgrades	42
○ W upgrades to B	10
○ B upgrades to A	4
○ B upgrades to P	3
○ A upgrades to P	6

The sales department would like to grow the RPI sales as a revenue stream for the coming year. This increase would not place additional occupancy pressures on the resort during the very busy summer season.

The focus is trying to provide opportunities during the other 3 seasons. The sales department will be increasing focus on attracting rallies.

Reservations

A motion was made by McCormick and seconded by Pauli that the wording be changed in Policy 29 relative to payment of reservations for RV or tent sites and cabins as follows:

"If any date of your reservation falls on Sturgis Rally Week, payment for such cabin or RV site must be made in full at the time the reservation is made. No cancellations will be allowed and no refunds will be authorized."

Motion carried with all members voting AYE.

A motion was made by Day and seconded by Payne that the wording be changed in Rule 26 under Rules and Regulations by striking the words: ***"guest nights for the Sturgis Rally will be accommodated in the Meadows."***

Motion carried with all members voting AYE. The effect of this is that no guest nights will be allowed during this time.

A motion was made by McCormick and seconded by Day for a one (1) year trial of allowing the RV sites in the Center Court as well as the Cheyenne cabins to be pet friendly. After discussion,

Motion carried with all members voting AYE.

Mail

A discussion was held on mail forwarding and sorting. It was decided to not make any changes to existing procedures.

Restaurant

Schnabel provided an update on the restaurant. Some equipment will be needed and the proposal will be handled in the budget.

Pool

Schnabel brought up the idea of shutting the pool on Labor Day. The Board determined that this would be left at the manager's discretion.

Maintenance

The following items will be voted on in the budget:

- Siding of Colt II's
- Door replacement on Brecks/Eagles/Cheyenne's
- Floor covering replacement on 5 Cheyenne's and 5 Colt II's
- Adding 5 RV sites where pedestals are located

Grounds

Schnabel updated the Board on the trees, landscaping, the tables and benches, and the asphalt repair.

\$60,000 had been allocated for Roads and Curbing for 2016 during Long-Range Planning. The estimates for repair to the streets and parking lot (\$54,957.51) as well as seal coating (\$36,431.78) totals \$91,389.29. This will be further discussed during the budget review.

Storage

A motion was made by McCormick and seconded by Payne to increase the winterization fee charged by staff from \$65.00 to \$75.00 per unit. Voting AYE were McCormick and Payne. Voting NAY were Pauli, Day, and Ripperda. Motion failed.

A motion was made by Day and seconded by Pauli to increase the winterization fee charged by staff from \$65.00 to \$85.00 per unit. Voting AYE were Day, Pauli, and Ripperda. Voting NAY were McCormick and Payne. Motion carried

A motion was made by Pauli and seconded by Day to increase the one way RV move from storage to site from \$9.50 to \$12.00. The motion carried on a vote of 4 to 1 with the NAY vote being cast by McCormick.

The addition of indoor storage units was tabled and will be looked at during the long range planning session in May of 2016.

Pet Policies & Site Cleanliness standards

After much discussion there was no resolution pertaining to number of pets allowed per site or cabin, breed or behavior of pet, Stakes and fences, and the Board asks that pet owners show courtesy to one another as well as the non-pet members. This will be a continuing situation and point of discussion. Suggestions for solutions are sought.

By-Law Review

HRR will contract with Jeff Swett, Attorney At Law, from Costello, Porter, et al to review the HRR by-laws. The fee will be between \$2000.00 and \$3000.00.

Budget

Schnabel led the Board and membership through the projected budget for 2016. All forms of income and all categories of expense were examined. Total income is projected to be \$3,024,825.00, Cost of

Goods Sold is estimated at \$290,075.00 providing a Gross Profit of \$2,734,750.00. Total expenses before depreciation are estimated at \$2,339,138.00 leaving a net profit from operations at \$395,612.00.

During the discussion a few changes in fees were voted on.

A motion was made by Day and seconded by Pauli to increase the nightly cabin rental by \$5.00 per unit. Motion carried with all members voting Aye

A motion was made by Day and seconded by Payne to increase by .50 (50 cents) the daily usage fee for RV sites from \$5.50 per day to \$6.00 per day. The motion carried on a vote of 4 to 1 with the NAY vote being cast by McCormick.

The Board left it to the discretion of the Manager regarding whether the Hart Mart should be open or closed during the winter.

There being no further discussion or suggested changes to the budget, a motion was made by Pauli and seconded by McCormick to approved the 2016 budget as presented and modified at this time. Motion carried.

Capital Improvement list

Restaurant

A motion was made by Payne and seconded by McCormick to approve the funding of \$11,500.00 for 2016 improvements to the Restaurant. This includes an oven, broaster, deep fryers, pizza equipment, and service ware. All members voting Aye. Motion carried

Maintenance

The beginning balance for items in this category totaled \$80,570.00. Alterations on cabin siding created a modified amount of \$72,170. A motion was made by Payne and seconded by McCormick to approve the modified funding of \$72.170.00. All members voting Aye. Motion carried.

Long-Range Plan Items for 2016

These items have been previously approved during the Long-Range Planning Session in a total of \$276,500.00.

Modifications to these amounts that were noted are as follows:

WIFI updates originally	\$36,000.00	estimate now \$38,266.00
Maintenance vehicle originally	\$15,000.00	estimate now \$10,000.00
Roads & Curbing originally	\$60,000.00	estimate now \$91,389.29
Tent area conversion originally	\$60,000.00	estimate now \$0.00

A motion was made by Day and seconded by Payne to reallocate \$31,389.29 originally allocated for converting tent sites to RV sites, to the Road and Curbing project in order to satisfy the amount of the project estimates. All members voting Aye. Motion carried.

The remaining allocation of \$28,610.71 from the original tent area conversion was not reallocated at this time. The Long-Range Planning total is adjusted from \$276,500.00 to \$245,155.29.

Recognizing that it is imperative that the blacktop work be completed in the fall of 2015, and that the money was not allocated from Long-Range planning until 2016, a motion was made by Payne and seconded by McCormick to take money from reserves to pay for the black top work and to replenish this amount to reserves in 2016. All members voting Aye. Motion carried.

There being no further business to come before the Board at this time, the meeting was adjourned. It was noted that the Board would meet in executive session at 8:00 AM on Saturday, October 17, 2015 and in general session at 10:00 AM on the same day.