



The Board of Directors of our resort has been addressing the concept of expansion in our park. Many members have had a difficult time making reservations during the beautiful peak summer season that we enjoy at our resort. The number of turned down requests has increased over the past few years. A committee was established last fall to explore the concept of expansion. They have met several times to discuss the future of our resort. The work is ongoing into the 2018 resort year. There has been a great amount of data collected and analyzed to better understand the thing that we all share, that being a great love for Hart Ranch. Along with our love, we also share a responsibility for the future of Hart Ranch.

There is no denying that during the peak season (May 15 to September 15) it can be difficult to secure a reservation. For some members nearly impossible during the special times of Memorial Day, 4th of July, Sturgis Rally, and Labor Day. What the membership may not know is that we have less members using the resort more days during the peak season. There has been an increase in the number of members who wish to call our resort home during the peak season. On one side of the coin we can say that this is a good thing, as it is consistent income to help pay for the running of our resort. The other side of the coin says that there are less opportunities for vacationing members who purchased their membership to spend some time in the summer enjoying our amenities.

The inability of filling member reservation requests has escalated the past few years. Is this just a hiccup of demand, or is it something that will continue to grow? The simple answer is to expand the park, create more RV sites to serve the demand. But is it the correct answer? What is the magic number? Will the demand for full-time seasonal residents continue to increase? How do we monitor and direct this growth? How do we finance such an endeavor? The response could be to look at our governing documents. Article III of the Articles of Incorporation states: The purpose for which the corporation is formed is to organize and engage exclusively in social, recreational, camping, and athletic activities for pleasure;

**Article V, Section 12** of the Bylaws states: At some future time, expansion of the facilities may include use of the property for a rental village for longer term use. Contracts for the above described uses must never interfere with the operation of the Club as an RV recreational Resort.

**Policy 3** states: The Resort exists for no other reason than to be a place where members may vacation and enjoy the Resort and surrounding Black Hills area.

Rules and Regulations 4 states: The Resort is designed and intended for vacation use and not for lengthy living accommodations. Permanent residence is not allowed except for certain necessary and authorized Resort employees. A membership allows overnight camping unit privileges no longer than 21 consecutive days on any one campsite and no longer than 21 cumulative site days in any 30 day period.

The final thing I would like to point to from our governing documents comes from Policy 12:

The ratio of members to the number of sites available has historically been approximately ten to one. This ratio has served the Resort well, possibly leaning toward under-utilization, except for rental units, which holds at a ratio of 25 to one.

We have 413 full hookup sites. As of July 31, 2017 we have 4036 members. If we believe that the 10 – 1 ratio that has served us since late mid 1980's is sufficient, even in the years when our membership was over 5200 members, then we are left with the determination that we have an over utilization situation by members.

The action by the Board of Directors during our recent August meeting was to set a pricing structure such that if a member uses a site for more than 42 days during the peak season that they pay an additional fee which will be allocated to future resort expansion. In addition the Board has requested that sewer service be examined for the Meadows, and if we can complete this in a cost effective manner that this be done and that members who choose to spend their 9 days out (of each 30) pay into an account to pay for the sewer expansion.

So these are the two big items. If you do not spend more than 42 days at Hart Ranch, during the peak season, the only impact will be the \$1.00 increase in the daily fee. If you do spend more than 42 days in the resort during peak season then you will be paying increased fees for expansion and for sewer improvements in the Meadows. In essence we are asking the members that get to enjoy the park on a more frequent basis to be the driving force behind resort expansion and improvement.

One final area that I would like to comment on is that of the workamper. These members provide an amazing and valuable service to our resort. They are in many cases our eyes and ears as well as the face of Hart Ranch. As we have expanded member services at the resort we have expanded the number of workampers that we employ. The Board has directed management to limit the number of workampers for 2018. A decrease of 4 of these positions, while a small number, it will provide opportunity for a few more members to enjoy a vacation at your resort.

As you read the minutes of the meetings held August 25 and 26, we wanted to provide this introduction. At times the meetings were contentious, but the decisions made are to better the future of Hart Ranch. This is a discussion that is normally held by the Board in the fall meeting when we set the 2018 budget, but we felt very strongly that we should provide this dialogue when a larger number of members could be present to make known their feeling. We continue to receive email feedback, the Board feels this is very healthy for the organization. If you would like to add comments after reading this information please email [bod@hartranchresort.com](mailto:bod@hartranchresort.com). It is our intent to reply to the emails we have received in the next two weeks.

Thank you for reading this, thank you for being a member, and thank you for being concerned.

Hart Ranch Board of Directors  
Wayne Pauli  
Tom Kinnison  
Bob McCormick  
Elmer Pritchard  
Lisa Beck

**Hart Ranch Camping Resort  
Board of Directors Quarterly Board Meeting Minutes  
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 (click for minutes) 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.

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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 \$12,000. The drop in member equity from 2012 is 5 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, per 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 SCHNABEL**

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.

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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. They are also required to 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.

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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 BobMcCormick. 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 21night 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 or \$20.48/day

Motion Withdrawn

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- 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 LisaBeck.

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.

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- Tom made the motion to continue the rates 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.

**Board Meeting Schedule**

**Quarterly Workshop**

Friday, October 27th, 9:00 am

**Board Meeting**

Saturday, October 28th, 10:00 am

*Locations TBD*