

HART RANCH RESORT
MINUTES of the
WORKSHOP
June 10, 2016
9:00 AM
Hart Ranch Pool Pavilion

The workshop meeting of Hart Ranch Resort (HRR) Board of Directors (Board) was called to order by President Karen Ripperda (Ripperda) at 9:00 AM on Friday, June 10, 2016.

Board members present: Kathy Payne (Payne), Bob McCormick (McCormick), Wayne Pauli (Pauli) and Vikki Day (Day). In addition, Resort Manager Tim Schnabel (Schnabel), board candidate Elmer Pritchard, and board candidate Dotty Johnson were present along with a contingency of members.

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

The report from Eric Maas of Lamfers & Maas, LLP, CPA's was supplied as part of the board packet. Eric was present and provided an oral report for the membership. The Report of financial statements for December 31, 2015 and 2014 is available on the resort website.

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

On Thursday, June 9th a town hall meeting was held. During this time, several members presented concerns, ideas, and solutions to multiple things at Hart Ranch Resort. The 2016 Town hall meeting is discussed later in the minutes.

There was 1 set of member comments brought to this meeting, which was by Theresa Dighton and Millie McCormick. It was regarding the signage on the Hart Ranch Lodge and the Welcome message. This was also covered in the Town Hall report.

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

Resort Manager's Report – Resort Manager Schnabel provided his report to the membership. Tim discussed the following areas of operations:

YTD financial performance

	April 30, 2015	April 30, 2016	April 30, 2016
	Actual	YTD Actuals	Budget
Total Revenue	\$ 694,464.55	\$ 728,958.52	\$ 651,780.00
Cost of Goods Sold	\$ 33,227.10	\$ 21,168.55	\$ 19,764.00
Gross Profit	\$ 661,237.45	\$ 707,789.97	\$ 632,016.00
Operating Expenses	\$ 601,333.56	\$ 627,712.76	\$ 604,959.00
Operating Income	\$ 59,903.89	\$ 80,077.21	\$ 27,057.00
Total Other Income	\$ 6,766.75	\$ 7,158.91	\$ 4,000.00
Total Other Expenses	\$ 126,652.28	\$ 119,495.28	\$ 118,664.00
Net Income	\$ (59,981.64)	\$ (32,259.16)	\$ (87,607.00)

Maintenance: Work completed includes new flooring in 7 cabins replacing existing carpeting, overseeing construction of new Redwood cabin, remodel of Colt 433, replacing doors in Eagle and Breckenridge cabins with larger, French doors, significant work improving the quality of the kitchen in the restaurant including painting, repairing flooring installing equipment, remodeling both the kitchen and restaurant (new booths!), and installing TV's and sound system.

Housekeeping: Much work has been done getting the cabins and comfort stations back in shape for the summer. Reorganized laundry room for greater efficiency. Still looking for a few more Comfort Station cleaners.

Storage: Working with Maintenance and Grounds to complete the expansion of the RV storage area. Completing lots of moves! Will be closely monitoring safety throughout the season as well as evaluating demand of expanded storage on both manpower and towtrucks. Expecting over 120 new storage sites as opposed to the original 80-90 estimated.

Grounds: Working with garden crew laying landscape fabric and wood chips around new trees in tree farm, closely monitoring watering—trying to balance keeping the grass green with the expense of watering, removed the dying junipers around the flag poles and will replace with more colorful landscaping, added several parking areas throughout resort.

Hart Mart: Several new lines of merchandise with new clothing and a new line of grills and fire pits. Sales have been up substantially over last year.

Security: Security will be working hard to more strictly enforce speeding, pets off leash, parking/driving on the grass (especially this year with drier conditions), site cleanliness as well as communication with kids, and if necessary their parents. Want to keep the park as friendly and safe as possible but need the help of kids, parents, grandparents and all members to help obey the rules as well as contacting them if rules are observed being broken.

Front Desk: Super busy with reservations! Staffing to try to accommodate the high call volumes during the peak times of 60 days prior to 4th of July, Sturgis Rally and now Labor Day weekend. Encourage members to call early, leave a message if no answer and please be patient with the front desk. Often times, reservations may take up to 30 minutes when multiple moves and thus, multiple reservations are required. Patience and flexibility are appreciated! Occupancy levels are as follows:

	January	February	March	April	May	June	July
2016	1720	1565	1863	2667	7518	12419	14348
2015	1856	1748	1814	2645	7232	12331	15455
2014	1329	1345	1667	2314	6930	11815	14828
2013	941	1319	1468	1947	6128	11457	14428
2012	727	736	977	1867	5731	10809	14371
2011	445	823	1078	1590	5649	10372	13809
2010	999	1013	1335	2503	7043	12952	15292
2009	720	766	947	2053	6901	11899	15062
2008	688	760	1076	2412	6703	11466	14123
2007	830	791	1042	2323	7055	12451	14440
2006	492	568	871	2153	6464	11963	14488

Marketing: Sales have been very busy year-to-date with substantial increases over last year (see Membership Report from Board Meeting). Sales to date include 15 associate upgrades, 9 upgrades from W to B memberships, 5 B upgrades to A memberships, 2 B upgrades to P memberships, and 5 A upgrades to P memberships. Focus has been on member referrals, Facebook marketing, Website upgrades and communications, Key search word internet marketing and re-targeting of website inquiries. Have received over 102,000 hits on our Website YTD. Also working with local RV dealers for dealer referrals.

Spring Creek Grille: Under the management of Monte Hartl and MRH Management, food quality has been excellent! Focus has been on quality of food, quality of service and competitive pricing. New to the restaurant are booths, pizza ovens and a nice selection of beer and wine.

Activities: Paintball has been moved to the former wedding area to a larger and more scenic setting thanks to the creative mind of Terry Ragels, along with help from Jack, Victor and some very helpful ground and maintenance crew. Two new playgrounds have been constructed. Eventually a chain link fence will surround the play area in the tent area for additional safety. More adult games are being featured in the Pavilion on Thursday and Sunday nights based on member requests from last year. Entertainment will vary throughout the summer with many returns from last year as well as some new venues for 2016. The SummerFest weekend will feature 4 nights of entertainment complete with a parade (on the 4th), BBQ and Beer Garden. Two rodeos will be featured this year—one July 14th and 15th and one August 18th and 19th. The Oktoberfest celebration will again be featured on September 10th.

IT/Wi-Fi: The Wi-Fi system has been completed throughout the north half of the resort. Overall comments have been positive. Feedback is appreciated if connectivity is not up to par at your particular site. As any system has its faults, we want to work hard to make sure this system is working to its fullest potential! We have also made improvements to the cable system completing numerous repairs to faulty cables, connections, amps and modulators. Will continue to monitor to make sure the signal is equally balanced throughout the resort. We are also looking into additional security cameras in the Hart Mart and other areas of the resort.

Old Business:

Expansion of Pet Area into Center Court area, including the Cheyenne Cabins was discussed. It is too early in the test to get an effective reading on occupancy rates due to the category change. It will continue to be monitored and a determination will be made in the fall whether to continue the occupancy by pet owners or revert this area to non-pet classification.

Expansion of the storage area.

We are nearing completion of the storage area expansion. There will be unrented sites after the wait list of members are processed. On a motion by Pauli and seconded by Day Twenty (20 storage sites are to held for new A, B, or P memberships that may also desire to rent a storage site. Motion carried.

The Board also directed the manager to limit to one (1) new storage site per membership with this decision being reviewed in October.

Under the Other category of Old Business Payne had several questions that were answered. They included:

- The 2016 online Auction
- The Rodeo
- The Board Web page
- Lights installation in the Meadows

New Business:

The first item of new business was a review of the Town Hall report. Each item brought forward by members was discussed by the Board. The list in its entirety is attached and made part of these minutes.

At the conclusion of this item the Board took a 60 minute recess for lunch.

The Board reconvened.

The first item of discussion was the concept of expansion. A drawing and a top level price list was discussed. The discussion was lively. It was determined that a committee of interested members and 1 to 2 board members should be formed to work on this area.

On a motion by McCormick and seconded by Day, it was determined to have a one (1) year trial program as follows:

To provide an RV site for a three (3), four (4) or five (5) consecutive month season to A, B, or P members or their associates. Five (5) sites on the pet side and Five (5) on the non-pet side will be selected for this program. Members who select to participate in this trial program will be selected on a first come basis. The members will pay the following rates:

- 3 months - \$1800.00 plus any tax and electricity
- 4 months - \$2200.00 plus any tax and electricity
- 5 months - \$2500.00 plus any tax and electricity

A one (1) month rental amount must accompany the application with all fees being paid by March 1, 2017. Sites will be selected by management, days outside of these contracts can be negotiated with management, and refunds are up to management discretion.

Motion carried

Tim discussed the idea of bringing a community of tipis to the tent area in an attempt to get more usage in this area. He will keep the Board informed on the negotiations, with email being used for information sharing. No action was taken at this time

A discussion was started regarding the upcoming renegotiation of the water and sewer contract. No action was taken at this time.

A discussion regarding the code of conduct, Articles of Incorporation and Bylaws was held. Members of the Board requested additional time to research and study the changes. This topic was tabled till the August meeting. In August the Board will schedule a special meeting to discuss the changes and to meet with legal counsel regarding suggested changes.

Day made a motion to go into Executive Session for legal and personnel purposes. Motion seconded by McCormick. Motion carried. Elmer Pritchard and Dotty Johnson were invited to join the Board in said session.

After 45 minutes President Ripperda called the Board out of the Executive session.

Motion to adjourn the meeting made by Pauli, seconded by Day, motion carried, and meeting adjourned.

It was noted that the Board would meet in general session at 10:00 AM on Saturday, June 11, 2016