

Board of Directors
Long Range Planning Meeting
May 19, 2018

The BOD Long Range Planning meeting was called to order by Wayne Pauli at 8:00 am.

Those present are as follows: Wayne Pauli - President, Tom Kinnison - Vice President, Bob McCormick - Treasurer, Elmer Pritchard - Membership Secretary, Lisa Beck - Secretary and Tim Schnabel - Resort Manager.

Board of Directors Candidates present were: Amy Stevenson, Millie McCormick, Alex Kulesza, Shawn Donovan (via phone) and Jim Weeks (via phone).

Members present were: Barb Rohde and Janell Hook

Wayne Pauli welcomed everyone and explained the purpose of Long Range Planning under Policy # 14 - a five year plan.

Tim took the floor and reviewed the funding formula for the long-range plan as detailed below:

The funding formula as approved in the 2015 Long Range Planning Meeting is calculated by using a **3 Year Rolling Average based on the previous three years of the Net Operating Income, adding in current year Long Range Expenditures.**

2017 Net Operating Income	\$260,599
The Long Range Total pd out with operating income*	<u>\$346,572</u>
Total	\$607,171 x 50% = \$303,585
2016 Net Operating Income	\$324,772
The Long Range Total pd out with operating income*	<u>\$359,627</u>
Total	\$684,399 x 50% = \$342,200
2015 Net Operating Income	\$151,271
The Long Range Total pd out with operating income	<u>\$241,466</u>
Total	\$392,737 x 50% = <u>\$196,369</u>

Calculation for 2019 Long Range Funding Dollars	\$842,154/3 = \$280,718
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Tim - Updates:

Planning and Zoning Commissioner reviewed the sewer plan again. Perk test, soil test and water test are completed. We will need the specific location of the septic field before Pennington County will grant a flood plain Construction Permit. Only three sites need to be elevated to satisfy the 100 year Flood Plan regulation. Will continue gathering information to complete the approval process and bid gathering for sewer in the Meadows. Plans for future discussion about electrical issues and angle of sites to increase space to accommodate larger rigs.

We are looking at changing our fiber and phone service provider from Century Link to Midco and possibly increasing band width to 500 mg. Currently, Golden West is conducting a Beta test using the most current Ruckus technology on Comfort Station 5 as well as 4 access points in the Southwest corner of the property. Will work with Golden West to determine the cost of this technology if it works and if we were to install it throughout the resort.

LINE ITEMS DISCUSSED:

- **Picnic Tables (\$13,000)**
 - Currently on a replacement schedule of 20 new, heavy duty tables/year
 - Average price of \$650/table
- **Trees (\$0.00)**
 - Tree farm currently has 60 trees to be transplanted this year.
 - Purchased 150 bare root trees this year—s/b ready to transplant in 3-5 years
 - Next year should have 40-60 pending growth rates this year (primarily oak trees)
 - May purchase ½ dozen trees from Rockingtree for Center Court
 - Not necessary to keep on long-range plan at this time
- **Cheyenne Siding (\$24,000) - See Note**
 - Completed siding on one Cheyenne last fall
 - We have siding to complete one more this year
 - Goal for 2018/19 is to complete 5 more. **Note: will plan to complete two in 2018, this year to reduce cost by 50% to \$12,000**
 - Average materials cost is \$6000/cabin. Total dollar amount may increase for materials, and Maintenance will do the work.
- **Repair to Sites (\$40,000)**
 - Every year concrete work is required with worst sites looked at first.
 - All sites worked on are extended in width if possible and many lengthened by 6 feet
 - Estimated impact for \$40,000 is 20 sites.
- **Lodge/Hart Mart Staining (\$22,000)**
 - Last time completed in 2012
- **Cabin (Redwood)**
 - Room for 3 Redwoods to add to the pet side
 - Estimated materials cost + furnishings at \$35,000 if we build
 - Estimated Revenues at \$16,700/yr
- **Lawnmower (\$35,000)**
 - Still evaluating current 2007 John Deere lawnmower.
 - Need to replace with a 10 foot mower, per suggestion.
 - It was suggested to look at other brands, outside of John Deere.
 - Suggest an amount increase for a new or nearly new mower is \$35,000 and look at a 20 year life span.
- **Towter (\$45,000)**
 - We are working on borrowed time with one of our towters
 - It's been "bandaged" together for several years.
 - We can't afford to have this go down during the busy season
 - Would schedule this to be done during the off-season
- **Rodeo Arena (\$45,000)**
 - The arena would ultimately include bucking shoots, back shoots, arena, bleachers, electricity, etc.
 - The goal is to have this fully funded through sponsors. Goal of \$145,000 by October 31, 2018.
 - The 2018/19 proposal would be for arena only. We would need to negotiate seating and electricity in the future.

Motion By: Tom Kinnison to purchase Rodeo Arena utilizing funds raised through sponsorship dollars.

Seconded By: Lisa Beck

Motion Carried

Motion By: Tom Kinnison to approve the proposed long-range funding items of \$301,500. The Board recognizes this is over the calculated amount based on the funding formula. However, additional savings may be realized once final bids are completed.

Seconded By: Bob McCormick

Motion Carried

Long-Range Plan items for 2019				
Qty	Description	Cost Each	Total	Approved
	Buildings & Land			
20	Picnic Tables	\$ 650.00	\$ 13,000.00	\$ 13,000.00
4	Cheyenne Siding (materials only--no labor)	\$ 6,000.00	\$ 24,000.00	\$ 12,000.00
20	Repair Sites	\$ 2,000.00	\$ 40,000.00	\$ 40,000.00
1	Lodge/Hart Mart Staining	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
1	Picnic Shelter by CS-4	\$ 68,000.00	\$ 68,000.00	\$ 68,000.00
	Rental Units			
1	Redwood cabin (materials only--we do the build)	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
	Maintenance			\$ -
1	Mower	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
	Vehicles			\$ -
1	Towter	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
	Furniture/Equipment			
1	Furniture/Equipment for Redwood	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00
1	Wi-Fi Upgrades	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
	TOTAL LONG-RANGE PLAN ITEMS FOR 2019		\$ 313,500.00	\$ 301,500.00

OTHER ITEMS TO REVIEW for FUTURE:

- **Cabins (Park Models)**
 - 3 Park Models next to Cheyenne cabins, different type
 - Cost would be ~\$55,000/cabin, delivered
 - Average revenue at \$6700/yr (Cheyennes)
- **Electrical Upgrade in Meadows (~\$50,000)**
 - Currently average 10 sites/pedestal
 - Haven't had problems there yet. Will monitor this summer based on demand
- **Kiddie Spa (\$12,000)**
 - leak in the bottom
 - This has been pushed off for several years as it was able to be repaired once again
- **Cable TV Infrastructure**
 - Still working with PureHD out of New Jersey regarding cable upgrade. Won't have an updated quote until the end of the month. Hoping to utilize existing infrastructure (with repairs)
- **Internet/Phones**
 - Communication with Midco has continued to review pricing for hard-wired internet and new phones and phone services. This won't happen until the end of the season
 - Our CenturyLink contract has expired.
- **Reservation Software**
 - The research continues regarding reservation software.
 - Currently the data needed from departments as to what needs to be a part of a new software system is being gathered.
 - Ability to make online reservations is primary area that is to be researched. The challenge is incorporating our sales and accounting membership functions into an online

reservation system that incorporates all of our rules regarding length of stay, 9 day buys, membership levels, etc.

2020 Long Range Strategic plan

1. Comfort Station upgrades (tile in showers) \$6000/CS
2. Additional electrical upgrades
3. Wi-Fi upgrades
4. Upgrade lodge restrooms to be HDCP compliant
5. Additional cabins
6. Concrete repair to sites
7. Concrete to expansion (new sites)
8. Lodge Expansion (40-50 rooms/pool/outdoor hot tub)
9. Splash pad
10. Mini Golf upgrade
11. Man-Lift
12. Update to Arena Drive

2021 Long Range Strategic plan

1. Playground expansion
2. Wi-Fi upgrades
3. Lawnmower
4. Restaurant staining
5. CS Staining
6. Cabin painting/staining

2022 Long Range Strategic plan

1. Additional cabin additions
2. Concrete
3. Asphalt repair

Next BOD Meetings:

- Town Hall – 6:00 pm June 7th
- Workshop – 9:00 am June 8th
- Meet the Candidates – 6:00 pm June 8th
- BOD Meeting – 10:00 am June 9th
- Organizational Meeting 12 noon, June 9th
 - Election of Officers
 - Determine schedule for next year's BOD meetings

Meeting adjourned by Wayne Pauli at 10:15 am.