

**Hart Ranch Camping Resort  
Quarterly Board Workshop Meeting  
October 27, 2017**

The Quarterly BOD Workshop meeting was called to order by Wayne Pauli at 9:02 am.

Present: Wayne Pauli (President), Tom Kinnison (Vice President), Bob McCormick (Treasurer),  
Elmer Pritchard (Membership Secretary), Tim Schnabel (Resort Manager).

Absent: Lisa Beck (Secretary) approved due to death in family

\*Bob McCormick made the motion to approve the agenda with a second by Elmer Pritchard.  
Motion carried.

**MEMBER COMMENTS**

Marty Jacobs

- Marty apologized to Tim for comments made toward him at the August BOD meeting.
- Expressed that members love Hart Ranch.
- Suggested that the board work in today's time rather than looking back at what was 30 years ago.
- It was mentioned that the weekends, during peak season, are the problem. The week days are not the problem.
- Marty expressed a concern for loss of revenue to HRCR if the 9 day buy was done away with.
- An online registration format is something Marty is an advocate for.
- There is a concern that the inventory that HR currently has is not being utilized.
- If needed, expand.
- There is a concern that certain people are being chased out of HRCR.

Greg Joy:

- Greg shared that he bought his membership with plans to stay at HR for the summer and this will be difficult with changes that the BOD make.
- With money in the bank, use it to expand.
- Concerned about a group of members being chased out. Why not just increase prices for everyone? "Be fair to everyone."

Bonnie Holland:

- Associates need to have fee increase to \$50 a year, mandatory. Don't just hit members with rate increases. If associates don't use the resort, drop their membership in a given amount of time.

**RESORT MANAGER'S REPORT**

**1. YTD 2017 Financials**

Tim went through the financial spreadsheet outlining variances in revenues and expenses. Overall financial performance comparable to 2016 and exceeding budgeted expectations YTD for 2017.

## **2. YTD 2017 Capital Improvements**

- a. Colt Cabins being renovated impacted net income.
- b. Concrete/asphalt repairs were expensed with an impact of over \$100,000 to operating income.
- c. Cheyenne – Siding was purchased for 2 cabins at \$6,000 per cabin. The goal is to have siding completed on 2 of the cabins over the winter season.
- d. New server – It is working well.
- e. Hustler Mower – One was purchased for the resort.
- f. Gas Pumps – positive feedback.
- g. Picnic Shelter A doors – These are locked when not in use. Also, there is a goal to have restrooms added.
- h. Solar lights in the Meadows were put in.
- i. 20 picnic tables were purchased.
- j. AC was installed in the bedrooms in the Dakota cabins.

## **3. Department Updates**

- a. Reviewed operations for various departments including previous year as well as winter operational goals. Will bring Colt 450 back into circulation as a rental cabin.

\*Bob McCormick made a motion to approve the Resort Manager's Report.

A second was given by Elmer Pritchard.

Motion Carried.

## **OLD BUSINESS:**

### **1. Rodeo Update per request from Tim Schnabel**

- a. Tim went through the rodeo financial spreadsheet. Reviewed revenues and expenses, rodeo showed a clear profit through the support of our sponsors. Plans will continue to renew current sponsors as well as add more.

### **2. Exploratory Expansion Committee Report**

- a. The 42 day and night's stays were factors in evaluating 2017 season data.
- b. Tim presented and explained bid comparisons for 45 sites, to be done in 2 phases.
- c. Wayne stated that the EEC will continue for the purpose of looking at a proposal for expansion. This will, probably, become a ballot issue for members to vote on.

### **3. Cleanliness Committee Report**

Tim Schnabel commented that this is a good resource and he would like the committee to continue for advisory purposes.

### **4. Seasonal Site Review**

- The BOD approved 10 sites for 2018, on trial basis for another summer season.
- The site rentals intervals and rates (including electricity):
  - 3 months at \$950 per month.
  - 4 months at \$900 per month.
  - 5 months at \$850 per month
- Currently 4 members from 2017 monthly use sites would like to have a seasonal site in 2018.

- If there are more members interested than the number of sites available, we will have a lottery system set.
- Information will be sent out in the newsletter, which will be sent with the annual statements that will instruct interested members to contact the front desk if they are interested in a seasonal site. Deadline to express interest will be January 2, 2018. Shortly thereafter, we will have a drawing to select enough members to fill remaining sites. Those selected will be expected to pay a \$200 deposit to hold their site. Payment in full for the entire season must then be made by March 1<sup>st</sup>, 2018.

**5. Sewer in the Meadows**

- The current bid is for \$178,000 and further bids are being investigated for presentation to the BOD.

**6. 42 Day Tiered Rate Policy**

\*A motion was made by Tom Kinnison to move this line item to New Business.

A second was given by Bob McCormick.

Motion was carried.

**NEW BUSINESS**

**1. Group Facility Policy Change – Policy #28**

\*A motion was made by Tom Kinnison to amend Policy #28 for recommended facility rate changes.

There was not a second given, therefore the motion died.

**2. RV Wash Charge** – After discussion, this idea was not considered any further, and a charge is not going to be put into place.

**3. Restaurant**

- Options are being researched for 2018 up to and including running it ourselves. It is preferred to lease this operation.

**4. Technology Options**

- Overall, Wi-Fi was better in 2017, but improvements are still needed.
- Video streaming continues to place high demands on the Wi-Fi.
- Century Link contract expires in July of 2018 and we may look at an early buyout.
- Midco gave a bid of \$1680/month for phone and fiber optics along with an installation fee of \$1800.
- Golden West is our managed service provider, intranet provider and tech support at \$1,000/month.
- Cable TV is on the table for updating/modifying to what HRCR owns.
- There was a suggestion that the next telephone system have recording option for customer service concerns.
- Tom Kinnison suggested that a consultant be obtained to help with the items to be addressed with Wi-Fi, fiber optics, etc.

**4. Reservation Software Discussion** – We are in contact with Campground Automations, and a bid has been offered to Tim Schnabel. Continued research on the needs of a reservation system will continue to take place.

## **12:50 PM Lunch Break**

**The BOD Workshop was reconvened at 12:50 pm.**

\*A motion was made by Elmer Pritchard to amend the agenda to add discussion about the 72 hour rule. A second was given by Tom Kinnison.  
Motion Carried.

### **a. Member Types**

- Tim Schnabel went through the Sales Office Proposal document.
  - Modify 1FT to full use of resort in the off season.
  - Add a new membership type 2W – 14 nights in/14nights out per 28 day period, to sell for \$2995.
  - Discontinue selling of B, A, P memberships, except under resale listing and no 9 day buy as an option, including transfers.
  - Purpose to increase cost of family transfers and associate additions to cover costs of background checks.
  - The Sales Dept. goal is to sell 50 new memberships, for a 2018 budgeted sales goal of \$100,000.
  - It was suggested to implement a cabin sales tour using Colt/Colt 2 cabin for \$129.95; 2 night/3 day. This will help to promote resales of A & P memberships.
  - Associate age, limit, etc. was discussed with some explanation by Tabitha, Sales Manager.

\*Tom Kinnison made a motion to have associates who have not paid fees in 5 years be taken off of associate status. After discussion, this motion was withdrawn.

- There was a suggestion to require a set amount as mandatory by associates with the remainder of the fee to be paid upon the first booking of a reservation.

\*Tom Kinnison made a motion to adopt points 2 (2W Membership) and 3 (increase of B Membership Rate) from the Sales Proposal.

A second was given by Elmer Pritchard.  
Motion Carried.

- 9 Day Buy was discussed with concern about if a member sells a membership, they should be able to have this offered to the person a membership is transferred to.
- The Market is changing and that needs to be addressed with the usage of the resort and membership.
- Transfer process was presented.
- While we currently have a diverse membership, the goal is to increase marketing efforts to those who are not full-time, and to reach those who want to stay less nights. This will allow us to retain existing membership usage privileges while growing the membership base.

\*Tom Kinnison made the motion to take the daily rate, effective May 1, 2018, from \$8.00/night to \$10.00/night for RV sites “on top” with full hook-up.

A second was given by Elmer Pritchard.

Motion Carried.

\*Tom Kinnison made the motion to increase the rates of maintenance fees in line with SD CPI, effective January 1, 2018.

A second was given by Bob McCormick.

After discussion, Bob withdrew his second to the said motion and made a motion to make the increase at 3% for all membership types.

Motion carried.

- B Membership increase to \$267.23
- A Membership increase to \$293.55
- P Membership increase to \$307.40
- 1FT and W Memberships increase to \$190.55

\*Tom Kinnison made the motion to increase the Meadows Nightly Rate to \$35/night.

A second was given by Elmer Pritchard.

After discussion, this motion was defeated

\*Tom Kinnison made the motion to raise the Meadow Nightly Rate to \$25/night.

A second was given by Bob McCormick.

Motion Carried.

\*Tom Kinnison made a motion to rescind the 42 day rate increase rule that was made at the August 2017 BOD meeting.

A second was given by Elmer Pritchard.

Motion Carried

\*Bob McCormick made a motion to rescind the \$9.00/night made decision from the August 2017 BOD meeting.

A second was given by Tom Kinnison.

Motion Carried.

\*Elmer Pritchard made a motion for the 72 hour rule to be rescinded with wording to say that if a site is unoccupied, Memorial Day thru Labor Day, in a 24 hour period there would be a \$50 fine. If there is an emergency or a significant reason for an unattended site that is reserved, the member is to communicate with management, security or the front desk.

A second was given by Bob McCormick.

After discussion, Elmer amended the motion to make the fine at \$25/daily for an unoccupied site.

Motion Carried.

## **5. Vision Statement and Action Plans for Hart Ranch**

- a. Discussion to develop a vision statement expounding on the HR mission statement, as well as Action Plans to follow through on how to achieve these goals. Tom suggested that a consultant be interviewed to help with the development of a vision statement and Action Plans to work with a standing Strategic Planning Committee.

\*Tom Kinnison made a motion to develop a strategic planning committee and for Tim Schnabel to gather the information necessary.

A second was given by Bob McCormick.

Motion Carried.

## **6. Presentation of 2018 Budget**

### **a. Rates**

- It was recommended that the storage fees would be increased to \$225/year.
- It was recommended that the indoor storage rates would be increased.

\*Elmer Pritchard made a motion to increase the RV Storage fees to \$225/year.

A second was given by Tom Kinnison.

Discussion was presented for the reasoning behind the increase: the need to help with gravel, maintenance of the storage area, and possible replacement of storage move trucks in the near future.

Motion Carried.

\*Tom Kinnison made a motion to increase the rates of the indoor storage units:

- 10x12 to \$550/year
- 6x10 to \$420/year
- 7x10 to remain at \$500/year

A Second was given by Elmer Pritchard.

Motion Carried.

### **b. Capital Improvements.**

- Tim Schnabel went through the Capital Improvement spreadsheet, highlighting the following:
  1. Electrical improvements needed to bring HR up to standard. Currently have an average of 10 RV sites per panel. New industry standards should be at 5 or 6 per panel.
  2. Vault for Anderson Lodge to allow access from the exterior of the building without having to go through the floor of one of the units to access the crawl space below, which is where the water heaters are located.
  3. Purchase of 20 picnic tables
  4. Expansion of Grounds storage shed
  5. Meadow electricity and sewer needs were discussed.
  6. Restrooms for Picnic Shelter A
  7. Site concrete repair/expansion
  8. Electronic key locks recommended for cabins and HR buildings for security purposes.
  9. Cable TV & Infrastructure in desperate need of repair.
  10. Bobcat and Tree Spade discussed for purpose of replanting trees from the tree farm.
  11. Colt 450 improvements and furniture will be needed to put back in circulation.
  12. Security Cameras data storage as well as some cameras need to be updated.
  13. Pool items to be replaced including steps, vacuum and 2 spa agitator pumps.
  14. Golf cart buy out.

Discussion was carried out about needing to address immediate needs as well as the sewer need in the Meadows.

Wayne Pauli suggested that the BOD Executive Session should be held Saturday, October 28<sup>th</sup> at 9:00 am. It was decided that this would take place in the restaurant dining area with Tim Schnabel joining them at 9:30 am.

\*A motion was made by Bob McCormick to adjourn the BOD Workshop Meeting.  
A second was given by Elmer Pritchard.  
Motion Carried.

Meeting was adjourned at 4:18 pm.