

## Waterbury Inn Board of Directors (BOD) Meeting Minutes

January 16, 2016

Dan Zimmerman, President, **called the meeting to order** at 9 a.m.

All board members and owners reps were present. Bill, unable to travel, was virtually present for the meeting. Traci and Tim Legois, our accountant, were also present.

The November 2015 **meeting minutes were corrected** to include the discussion of our purchasing a generator for the Waterbury office because of the frequency of our having a power outage. Roger moved to accept the minutes as amended. Chuck seconded the motion. The motion was unanimously approved and **minutes were approved.**

**Replacements/Improvements:** Roger asked Traci to clarify the **lamp purchases** for all living rooms. The smaller, tabletop lamp is an emergency lamp that will provide light during a power outage. The floor lamp matches the table lamp. The lamps that are being replaced will be put in each owner's closet. The two lamps were bought in bulk, and the assessed value that we were charged is for both lamps including tax and shipping. For now the lamp in the loft bedrooms will not be replaced.

Traci is also slowly replacing **dishes and glassware and changing kitchen inventory**; however, the upfront cost of this replacement will not result in a special assessment. After the initial replacement if dishes are broken you will be charged to replace.

We are looking at installing **security cameras** at each of the three entrances. We hope that this will serve as a deterrent to guests "taking items" and increase the safety and security of our guests and staff.

Valances have been removed in many of the living rooms. We will have someone from Home Depot here to measure the windows and sliding glass doors for the **faux wood blinds** that we will be ordering for the living area.

**General Managers Contract:** The motion to renew Ms. Busch's (now Mrs. Vartanian) contract for the period of March 1, 2016, through February 28, 2018 with a 5% increase in salary passed with four votes in favor and one vote opposed.

**2016 Budget:** Chuck moved to approve the final proposed 2016 budget. Roger seconded the motion. The Board unanimously approved the 2016 Waterbury Inn budget.

We set the budget for 2016 by starting with last year's numbers and then adjusted the numbers to reflect the 2015 actual expenses. The owners at the annual Owners' Meeting will ratify/review the approved 2016 budget.

In order to propose a working/balanced budget, we need to adjust the quarterly payments. **The total quarterly payment will now be 1400.00**, an increase of 130.00 each quarter or a little over 43.00 per month. Quarterly maintenance will remain the same at 922.00. The sewage expenses have increased, and the quarterly sewage contribution will increase from 65.00 to 94.00 in order to cover the actual expense. Insurance also increased and therefore we need to increase the quarterly payment to cover that. An increase from 153.00 to 183.00 will meet the actual cost of our insurance. The reserve fund will increase to 201.00 from 130.00. The increased amount will start with the April statement. We need to build up our reserve fund because all of the recent improvements significantly impacted our balance.

The Rental Service borrowed \$11,000 from the Reserve Fund to address cash flow issues. The primary causes for insufficient funds are:

1. During the January 2015 Board meeting, the Board reviewed and approved the budgets for the maintenance and rental service accounts, but neglected to review and update, if necessary, the quarterly maintenance fee for sewage and insurance. Because the cost of sewage and insurance increased during 2015, these costs needed to be covered with existing funds in the maintenance account.
2. The first payment for the sofas and chairs was due at the time the order was placed, so there was less money available in the maintenance account than last year.
3. CY 2015 was the first year the Waterbury accepted reservations from Expedia and [booking.com](http://booking.com), so the amount of revenue from and expenses to these sites was unknown. These two companies take a 15% commission for bookings, which is 5% more than the maximum discount provided to any other guest who requests a discount. All of the 15% discount was absorbed by the Rental Service; all other discounts are reflected in the room rate, so the amount of proceeds to an owner is 50% of the room rate (with any discount applied). In the future, bookings through Internet booking sites will be treated like other discounts.

The Rental Service and Maintenance accounts will replenish the Reserve Funds during 2016. The Board and management understand that the use of the reserve funds is to be for large capital expenses and not for ongoing operational costs. The budget and amount of quarterly maintenance fees were

**Staff:** We have two new staff members that are being trained. Their names are Sage and Hunter.

**The Annual Owner's Meeting and Social:** The annual Owners' Meeting and social are scheduled for Saturday, March 12, 2016. The meeting starts at 9 a.m. Additionally, we are planning to have the second annual social gathering on the same day as the Board meeting. The social will be held in the lounge at 4 p.m. Please

plan on attending and bring an appetizer and beverage to share. Watch your postal mail for the meeting agenda and more information related to the meeting and the social.

**Meeting adjourned** at 11:05 a.m.

Respectfully Submitted  
Rose Marie Masticola  
Vice-President/Secretary Waterbury Inn BOD