

Minutes of the Annual Owners' Meeting of March 10, 2013

1-2. Sign in, determination of quorum; call to order/attendance; review of agenda.

Mr. Zimmerman called the meeting to order at 10:00 a.m.

Board of Directors Present: Dan Zimmerman, Mark Guth, Roger Dumke, Chuck Frain, and Rose Marie Masticola

Board of Directors Absent: None

Manager Present: Traci Busch

Owners Present:

Unit #	Name	Present/Proxy	E-Mail Address
001	Paul & Mary Lou Kalsted	Proxy	
002	Curt Albers	Present	calbers1@new.rr.com
003	Dale & Cindy Michiels		
004	Klaus & Marianne Heuser	Proxy	Kheuser01@att.net
005	Dwight & Barb Wernquist	Present	
006	Scott & Patricia Thies	Present	PSThies21@hotmail.com
007	Fred & Sherry Pesch		
101	William & Virginia Richter	Proxy	bill.richter@sippinjuice.com
102	Scott & Kathy Schultz	Present	opendoor@dcwis.com
103	Kurt & Laurel Harff	Present	kortrok@sbcglobal.net
104	Rose Marie Masticola	Present	rose.masticola@gmail.com
105	Robert Dorzwieler	Present	RDorzwieler@new.rr.com
106	Ray & Sylvia Kostiuik	Present	3hobos@wildblue.net
107	Gary and Sue Hammond	Present	g.hammond@charter.net
108	Roger Dumke	Present	RogerDumke@yahoo.com
109	BMW Limited		
110	Kent Carnahan	Proxy	
111	Earl & Claudette Townsend	Proxy	
112	Georgia Jane Drager	Present	gjanedrager@aol.com
113	James & Cheryl Anderegg		
114	Don & Lydia Powers		
115	Steve Stoffregen		
116	Ronald & Karen Grosse	Proxy	
117	Ronald & Karen Grosse	Proxy	
118	Peter & Barbara Vlasits & Mary Lou Lager	Present	vlasdad@comcast.net
119	Bernadette Pivnicka	Proxy	
120	Jim & Karen Moldenhauer	Proxy	
121	Eric & Jean Dow	Present	cariano2001@aol.com
122	Mark & Mary Ellen Guth & Sabine Schreiner	Present	mark.scott.guth@gmail.com
201	Stephen & Margie Morris		
202	Karen Vanevenhoven &		

	Roger Bancroft		
203	Chuck & Mary Frain	Present	
204	HDHPF, LLC		
205	Ronald & Janet Chaney		
206	Albert & Wendy Stefan	Present	avvstefan@comcast.net

207Ann HuetterProxy 208Jon Spoerry/Bass Investment SyndicateProxy 209Jaime & Kathy Malwitz 210Robert & Sheri Sarosiek 211Dale & Cindy Michiels 212Dan & Cindy Bohrer cbohrer@wi.rr.com213Dennis & Nadine KapustkaPresentdkapustka@gmail.com214Luly SnyderProxy 215James WilliamsPresentjwilliams2350@aol.com216Dan & Irene ZimmermanPresentzimmerman_dan@hotmail.com217Dan & Erika LindstromPresentdaniel-lindstrom@lycos.com218John & Donna WellhausenProxy 219Butch & Nancy JacquesProxy

34 of the 48 units were present or represented by proxy (note: two proxies were received from unit #001, which would have made 35). Therefore, a quorum was established per the Association By-Laws.

1. Approval of the March 10, 2012 Annual Owners' Meeting minutes.**Mr. Albers moved to approve the minutes "as is." Mr. Frain seconded the motion. The motion passed unanimously.**

Approval of the November 3, 2012 Special Owners' Meeting – Revised minutes.**Mr. Guth moved to approve these minutes "as is." Mr. Dumke seconded the motion. The motion passed unanimously.**

Approval of the January 19, 2013 Board of Directors' Meeting minutes.**Mr. Guth moved to approve the minutes of the previous Board of Directors' meeting "as is." Mr. Frain seconded the motion. The motion passed unanimously.**

1. Approval of the agenda. No proposals were made to amend the agenda.
1. Communications.
 - Mr. Zimmerman discussed the phone call he had with Mark Verhyen, who works for Associated Appraisal Consultants, Inc., the agency that sent the "Prepared Statement of Personal Property" form to each of the owners of the Waterbury Inn. This agency is contracted by the Village of Ephraim to develop the correct assessment for personal property taxes by using the form. Mr. Verhyen indicated that to avoid confusion now and in the future, his company will accept annual documentation from the Board of a "standard" unit (for each unit type) in lieu of each individual owner filing the form. Mr. Zimmerman requested a copy of the depreciation schedule used by one owner of each unit type for this purpose; Mr. Zimmerman's unit will be used as the example for the Deluxe 2-bedroom units.
1. State of the Waterbury

a) Operations: Mr. Guth. Mr. Guth reviewed the information in his written report dated March 9, 2013, which was included in the packet presented to the owners. Other issues discussed were:

- Ms. Busch reviewed the “Marketing Plan” document that was included in the packet.
- Ms. Busch also discussed the concept of allowing pets (dogs only) in the garden level units to increase rentals of those units.
- May 17th and 18th are set for an owners’ clean-up weekend; in the past, some owners volunteered their time to help clean up the grounds and plant flowers. An owner that volunteers his/her time to assist in the clean-up may stay in his/her unit without paying a unit cleaning fee (for this weekend only).
- Ms. Busch and Ms. Anschutz will attend the Governor’s Conference on Tourism on March 17th.– 19th.
- Ms. Busch, Ms. Anschutz, and Mr. Vartanian received certification as Door County travel ambassadors. Other front desk staff will become certified in the future.
- Ms. Busch noted that at some time in the future, the Waterbury Inn will need to be rewired to be able to receive HDTV signals from Charter, which charges approximately \$10,000 for the rewiring service.

b) Building and Grounds: Chuck Frain. Ms. Busch and Ms. Mastricola discussed the “Building Maintenance Audit” document including in the packet, as well as the bid information to replace the linoleum and countertops and the bid information for a Mitsubishi heating/cooling system from Synergy Heating and Cooling to replace the air conditioning and electric baseboard heating in the units. Ms. Busch requested interested owners to go to the Landmark to see the Synergy units. These units would qualify for an energy tax credit (under current tax policies). Information on the Mitsubishi system was presented during the September 2012 Board meeting:

Mr. Derrick Ellefson, Synergy Heating and Cooling (Sturgeon Bay) and a representative of Mitsubishi Electric presented information on a heating and cooling system that would be more effective and efficient than the current baseboard heating and air conditioning unit. They were invited to make a presentation to the owners at the annual Owners Meeting. Information on the Mitsubishi system may be found at

http://www.mitsubishipro.com/media/279976/homeowner_cat-r.pdf and http://www.mitsubishipro.com/media/382145/slim-m-series_contrguide.pdf. The PowerPoint presentation made to the Board is available upon request to Mr. Zimmerman.

c) Sales Review and Fiscal Report: Mr. Zimmerman. Mr. Zimmerman reviewed the fiscal information included in the packet presented to the owners. He explained that the budget passed by the Board adjusted line items that were over/underspent from CY 2012 and moved some line items, in whole or in part, from the rental service to the maintenance budget. For example, the cost of propane previously was split between the rental service and maintenance budgets, but now will entirely be in the maintenance budget because the cost of propane is for heating the common areas of the building. Another example involves the cost of the manager’s salary previously was entirely in the rental service budget, but it was felt that 50% should be in the maintenance budget because of the need for oversight of maintenance issues and staff. The total amount shifted to the maintenance account is \$101,000 and resulted in a quarterly

maintenance fee of \$922. This shifting of funds will permit paying 50% of proceeds to the owners throughout the year beginning immediately. The Board also discussed increasing the portion of the quarterly maintenance fee that goes to the reserve fund from \$30 to \$130 to ensure adequate funds are available for future repairs. These changes will result in a quarterly maintenance fee of \$1,270 per quarter.

Mr. Hammond moved to approve the budget as proposed by the Board with maintenance fee of \$1,270 beginning the second quarter of CY 2013 and the increase to 50% of proceeds to owners immediately. Mr. Guth seconded the motion. The motion passed with 32 votes in favor and 2 against the motion.

d) Manager's Report: Ms. Busch. Ms. Busch reviewed the information in her report that was included in the packet. Mr. Zimmerman said that foreclosure action has been initiated against the owner of units #003 and #211; it is anticipated that the foreclosure action will be resolved soon; he will contact Mr. Moldenhauer to move the process along.

7. Discussion and vote on proposed By-Law changes and Rental Agreement changes discussed at the November 3, 2013 Owners' Meeting.

Mr. Zimmerman explained the rationale behind the proposed By-Law changes and options for addressing the issues: With the previous motion to approve the budget, the need to amend Section 5.3 of the By-Laws is moot; there are remaining two issues to address:

1. The By-Laws be amended by creating a new section to require all owners to participate in the Rental Agreement. Such a change may discourage potential buyers of a unit.
- b) Other proposed By-Law changes are technical in nature and reflect current practices, such as the date by which the Board is to prepare the budget and to require a ratification of the budget at the annual Owners' meeting; these changes are detailed in the draft revision of the By-Laws.

Mr. Hammond moved to amend the By-Laws as proposed. Mr. Williams seconded the motion. 33 votes were for the motion and 1 was against the motion (68.75% of units); the motion passed.

Mr. Zimmerman explained that Section VI. and the phrase "voluntarily withdrew a unit from the Rental Service or" in Section VII. C. of the Rental Agreement are rendered moot as a result of the By-Law Changes. In addition, the proposed added sentence to Section VII. C. is not needed. **Mr. Williams moved to strike these sections from the Rental Agreement. Mr. Albers seconded the motion. The motion passed unanimously.**

1. Questions/Concerns. None.

1. Old Business. None.

1. Board/Owners' Representatives Nominations and Elections. **Two positions on the Board of Directors were open; Ms. Masticola and Mr. Zimmerman said they are**

willing to serve on the Board again. No one else came forward to volunteer to serve on the Board. Nominations were opened for the three owners' representative positions; Mr. Albers, Ms. Drager, and Mr. Schultz nominated themselves. Mr. Guth moved to close the nominations and vote for the Board and owners' representative candidates by acclamation. Mr. Dumke seconded the motion. The motion passed unanimously.

1. New Business. None:

1. Adjournment. All business was completed. The meeting was adjourned at 1:05 p.m.

Respectfully submitted,

Dan Zimmerman
President

Note: The Board met briefly to address the following business items:

- Board positions: Dan Zimmerman – President and Secretary, Mark Guth – Vice President, Roger Dumke – Treasurer, Chuck Frain – Chair of the Buildings and Grounds Committee
- Board meetings are scheduled for June 8th, September 7th, November 9th, and January 18th. The next Owners' Meeting will be on March 8, 2014.