

March 10th, 2018

In attendance:

Dan Zimmerman 216, Board President, Rose Marie Mastricola 104, Board Vice President; Chuck Frain 203, Board; Bill Niemiec 112 & 119, Board Treasurer; Dean Brandner 102, Board Secretary; Traci Vartanian, Waterbury General Manager; Wally Vartanian, Asst Mgr; Roger Dumke 108; Theresa Brandner 105; Sylvia Kostiuik 106; Dennis and Nadine Kapustka 213; Mike and Betty Gadsby 122; Albert Stefan 206; Bob Sarosiek 210; Julie Voelker 207.

Via Proxi

Daniel & Erica Lindstrom 217, Jon Spoerry 208, Jaime Malwitz 209, Ronald & Karen Grosse 116 & 117, John & Donna Wellhausen 218, Dwight & Barb Wernquist 005, Scott & Patricia Thies 006, Steve Stoffregen 115, Gary & Sue Hammond 107, Sara Wright 109, James Williams 215, Leon Jacques 219, Roger Bancroft 202.

Sign in item 1

Item 2 - 9:06 Call to Order – 16 units represented, 14 units proxies, over 50% and have quorum.

Dan Zimmerman requested modification of agenda (Item 5) to move Nominations and Elections to after New Business and to add approval of Sept 14 board meeting minutes.

Item 3 - Approval of March 11, 2017 Minutes Owners Meeting: No one requested changes to the minutes; motion to approve minutes from Roger Dumke, seconded by Dennis Kapustka, motion passed unanimously.

Item 4 - Approval of January 13th Board Meeting Minutes: Rose made motion to approve and was seconded by Chuck, unanimously approved.

Added item – Approval of September Board Meeting Minutes: Traci (Waterbury GM) clarified the water heaters, The minutes should reflect there was not a full discussion yet, and there was a concern brought forth. Motion to approve by Chuck and seconded by Dean, minutes passed unanimously.

Item 5 – Approval of Agenda (see item 2)

Item 6 – Communications

*James Williams 215 (not present) send letter asking effects of closing last year in March for a couple of weeks. Answer was there was no material effect on revenues, but two bedroom units have less visitor stays due to visitors are typically 'couples' and they do not request two bedrooms.

*Dan (board president) talked with Wally and Traci regarding interest from Door County Broadband To lease our tower to put another piece of equipment (dish) for other non-hotel businesses. Intital Request was for \$45/mo., plus \$75/year for electrical costs. This would be a 10 year lease. Dan Proposed we get a 10% yearly increase added to the language. The initial cost to build the StSteel Tower was \$19,000. \$450 is our monthly cost. The tower can support additional dishes, will have no

effect on our data, no additional liability to the Waterbury Inn. This is an informational communication being passed on to the owners. The thought is this should not be looked on as revenue generation but as promoting 'goodwill' to area (non-competition) businesses that cannot get decent broadband now. Still ongoing is discussion as to how to reflect the lease dollars on the books. There was no intention To bring this to an attorney to review as Dan felt the initial request document was fairly straight forward.

Item 7 State of the Waterbury

A) Operations and managers' report Traci Vartanian GM

- A) Traci noted a document included in packet to owners included a completed items for 2017, did not include on the sheet that hall carpeting was replaced.
Dan reiterated 2009 and older water heaters were being replaced. An additional water heater failed within the last 30 Days. A motion from Nadine Kapustka and seconded by Theresa Brander to replace water heaters Spring 2018 before busy season, with cost to be to be paid when completed in July quarterly fees. Discussion ensued with Chuck Frain making a motion to amend for an additional payment (2 payments instead of 1)with 1st coming from the July quartiles, and the 2nd from the September quartiles, with the initial cost to be paid out of the reserve fund. The reserve fund will be reimbursed with the quarterly payment special assessments. This motion was seconded by Bill Niemiec. 18 votes in favor and 1 opposed. Also discussed and will be taken care of when the heaters are installed is proper drainage of drip pans to drains.
- B) Dishwasher average life is 10 years with quite a number of our dishwashers far exceeding ten years old. A question on scheduled obsolescence was answered by stating in the past there was no such replacement schedule, but going forward there is a list started and will be reviewed every year going forward.
- C) Follow up questions on future planned replacement of other unit items was presented. There is a list posted on the website of items (including roof, items in the units, carpeting, etc) within the hotel show when items were purchased and when they may be replaced. This list is not complete but is being updated and more inclusive. The board is trying to schedule all replacements (40 to 48 units) at the same time with the purpose of reducing costs to the owners. The cost savings are significant when this can be achieved. The dishwasher costs for all rooms (except studio rooms) are \$408.37 (studio rooms are \$904.22).
- D) The Waterbury building has some issues from when it was built or when work was done. These unusual expenses (or possible yet to be expenses) include pool wall collapse, roof repair, electrical issues among others. It was reviewed to see if warranty or liability could be established but do to too many years passing, there is no recourse. Permits are used as needed and codes are followed when work is done.

B) Building and Grounds report Rose Marie Masticola

- A) Bathrooms for 2021 and possibly sooner for updating. Rose asked that all owners look at their rooms and if they see something that needs repairing , or general observations, to let Rose know and she will review and start the process of repairs or including on this for future updating as required.

C) Sales Review and Fiscal Report Bill Niemiec

- A) 2017 revenue up with room nights down. Traci looking at rates after room updates and local competition, and adjusts as factors permit. 2016 to 2017, as well as other years, vary greatly in the winter months, especially due to weather, but negligible impact from hotel being closed for

a couple of weeks in 2017. There were some contractors that used the Waterbury in prior winters that helped increase room night stays in prior years that did not occur in 2017. Some 2017 costs went up but were due to additional revenue dollars and additional management salaries. A clarification on what the Maintenance Budget and Reserve Funds are and how the money is spent and where. The Reserve fund is for major expenditures to the hotel, and the fund is replenished by the quarterly fees.

Item 8 Questions

Bob Sarosiek wanted to convey to the board to look at options, to think outside the box, at ways to increase income, including the review of 'pet friendly'. Al Stefan also raised the possibility on pet stays. Other discussion on possible ways to increase 'Millennials' guest night stays, as they are looking at 'experiences' and 'social' activities. Brainstorming of quilting, card games, painting was brought forward. The board committed to looking further into this.

Item 9 Old Business

None

Item 11 (note item 10 moved) Nominations and Elections for Owners' Representatives.

Dan Lindstrom ran for a two (2) year term (agenda incorrectly stated one year), Motion by Rose to vote, seconded by Bill, all member voted unanimously in favor and proxies all were In the affirmative, Dan was re-elected.

Item 10 Nominations and elections for Board members

Four (4) candidates ran for three (3) open positions.

Chuck Frain, Dean Brandner, and Bill Niemiec were re-elected by counting proxies and votes cast by those present.

Item 12 New Business

None

Upcoming meeting dates:

May 19th board meeting

Sept 8th board meeting

Nov 3rd board meeting

Jan 19th board meeting

March 9th owners meeting

Item 13 Adjournment

Meeting adjourned at 12:15.

Respectfully submitted by Dean Brandner, board secretary.