

November 12, 2022

General Manager Report

Property: A fantastic in-house work crew has made a major difference with the outside portion of the property! As long as the weather holds, we continue to work on projects. Indoor and Outdoor holiday decorations will begin to be noticeable after Thanksgiving.

- 1) Landscaping: (All done in house)
 - a. Back of property has been razed, leveled and rocked to match the style of the front. We will continue to coax this area back to life in the spring, but major improvements already, including the plan to plant boxwood shrubs in the retaining wall area.
 - b. Took down 2 trees in the main lot area – one had died and one was headed that way.
 - c. 3 trees remaining in front firepit area that need to be taken down – old Ash and one decaying pine.
 - d. Waste pile removed by Generations Landscaping.
 - e. All winterization of outdoor property has been completed.
- 2) Pricing of new children’s playset – current one has reached the end of it’s life for both safety and inviting look.
- 3) Electric:
 - a. Still waiting for Action Electric to finish a couple areas of downlighting on the main A Frame of the building, and removing some older lighting by back grill area that has long-since fallen into disuse.
 - b. Will be replacing older light fixtures on outside poles as well as indoor lighting in stairwells and Front Desk entry area. Being held together with tape at this time. Sockets will hold regular long-life bulbs vs. the old incandescent candelabra style bulbs.
 - c. Waiting on Itemized List from Action for ways to create a better environment in the indoor Pool maintenance closet.
- 4) Estimate/Quote process in place for:
 - a. **Electric Vehicle Charging Stations in future**
 - i. **On hold at this time**
 - b. **HVAC upgrades (received)**
 - i. **On hold at this time**
 - c. Plumbing evaluations (including hot water heater in laundry)
 - i. Soft water system was installed in 1998. 15 year life of equipment. We should not be surprised if it goes soon. Culligan has informed that replacement will run between \$9,000.00 - \$10,000.00
 - ii. Still awaiting hot water heater replacement quote in laundry room (Reinhard).
 - d. Pool Upgrades/Repairs (received) from Neuman Pools. (Phase 1)
 - i. Work is scheduled from Jan 16 – 25, 2023
 - ii. Plaster work on Hot Tub
 - iii. Upgrades of main drains indoors.
 - iv. Minor repairs/upgrades to the whirlpool jets
 - v. Refinishing decking surface
 - vi. Installing remainder of baseboard tiling after decking finished

- 5) Outdoor Pool Heater – estimate/quote received from Neuman Pools for replacement of unit – stopped working in mid-September. Recommend that unit is replaced at pool opening in May, along with upgrades to the underwater lighting in outdoor pool.
- 6) Outdoor pool fence to be painted with White Rustoleum (spring – in house)
- 7) Items still on the agenda from past meetings:
 - a. Parking Lots/Walkways/Front Entry Concrete
 - i. Front Entry Concrete – approximately \$2,500.00 in late April/early May
 - ii. No further updates on engineering survey
 - iii. Updates on George Burr parking lot?
 - b. Hallway upgrades: Carpet, Wood Trim, Room Numbers, Signage, Owner Doors
 - i. Awaiting responses on carpet design/pricing from FloorMart (Sturgeon Bay)
 1. We've agreed in theory about color choices and styles – now we await the correct color match.
 - ii. All trim measured – will cut, paint and install in-house
 - iii. Room numbers chosen – awaiting confirmation of pricing.
 - iv. Pricing hardware, auto-locking door knobs (hotel style) & spyglasses
 - v. We will be doing most of the work in-house this winter, shutting down single hallways at a time. We will inform all owners of those dates so there are no surprises. We can work on 2-3 doors at a time in the garage, but the doors need to be off the hinges for at least 48 hours for sanding, sealing, painting and reinstallation.
 - c. Fire Pit/Grill Area Expansion (On hold at this time)
 - d. Window Replacement in rooms (Pella and Tielen Construction)
 - i. Updated areas of concern from Tielen/Pella inspections
 - e. Outdoor patio carpeting (FloorMart) (On hold at this time)
- 8) Main Lobby Tiling to be leveled and covered with same faux wood vinyl flooring as we installed last spring in the public restrooms, laundry area and front entryway.
- 9) Choosing carpet for Main Lobby – last phase of flooring project building-wide. Waiting to match the stairwell choices.
- 10) Wil-Kil completed all Bed Bug inspections 10/25/22. Property is clean as usual.
- 11) Water room solenoid replacement completed on all 4 of our UV units. Installation completed by Culligan.

Financials/Employment/Operations:

- 1) Financials (bottom line) are remarkably close to budget at this time. We're over and under in certain areas, but the bottom line shows we were fairly accurate with overall for 2022. While occupancy was down relative to 2021, we are still far ahead of the occupancy rates prior to 2021. The price point of the rooms have put us a little further into the black than last year despite the lack of ERC and PPP loans we received during the course of the 2021 season.
 - a. Pricing for the 2023 year will be set after Thanksgiving. Expect Room Rates to rise 7% - 8% for high season, with similar pricing in off-season to stay competitive with area hotels from November – May.

- b. Future Reservations for 2023 are coming in more quickly than 2022, and when pricing is set, we'll reach out personally to all the future reservations to take deposits in January, 2023.
- 2) Financials have been provided to the Board through October 31st, 2022.
- 3) Employee Staffing/Pay/Benefits:
 - a. We've reached out to INTRAX (based in California and Washington) for J-1 information for the 2023 season. We'll be looking for 5 housekeepers to join us from June 1st through mid/late September. 4 Females in Unit 211, 1 additional male to join one of our year-round employees as a room-mate for the season.
 - b. We continue to look at the potential for additional benefits for staffing. While not all the staff will take advantage currently, health benefits, PTO, dental, YMCA Memberships, etc. are being looked into so recommendations can be made for Board consideration.
 - c. We're currently in a very good place with a great staff – but things have a way of changing up here quickly, so we look ever forward as we prepare for potential changes.
- 4) Advertising: Looking into electronic billboards in 3 markets for the months of November and December in Naperville, IL (I-88), Milwaukee (I-43) and Green Bay. Radio ads being considered for Appleton/Oshkosh/Green Bay area. Print is quickly losing steam nationally.
- 5) Online updates: New virtual 360 degree tours of the property and each room type have been posted at Waterburyinn.com. We continue to update our website with current information. I have a call in to our IT folks at WHLA to make sure our site looks the same and has the same information on the Desktop version as well as the Phone version. Some discrepancies there in the past.
- 6) Outdoor Pool closed on October 10th.
- 7) 2023 Room Pricing will be completed in late October after reviewing fall financials. Most likely we anticipate a 5-7% increase in rates to cover the costs of materials/supplies and staffing, and lessening the impact of raised QMFs.
- 8) In Room Directories have been placed in all rooms.
- 9) In Room Replacement Items continue: We've been doing this in phases to avoid maxing out our credit card in case of emergency spending needs. We're almost done with replacement items – only a couple of cooking utensils left to replace – you'll see the itemized amounts on your January Maintenance Statement. We're getting great “bang for our buck” here!
- 10) New “No Smoking/No Vaping” signs have been installed on outdoor patios adjacent to rooms.
- 11) Looking into replacement costs for non-functioning Bathroom Ceiling Vent Fan/Light kits – including timer switches.
- 12) Manager Unit: Some items we'll be replacing this year that have been needed since before the current manager moved in back in August 2020 include:
 - a. Replacing old shag carpet on 2nd level and stairwell
 - b. Installing new outer door to entry.
 - c. Installing storm door with screens for summer – no airflow since all the windows are on the same side in managers' unit.
 - d. Flooring repairs to faux wood vinyl in living/dining area
 - e. Changing trim to match trim in all hallways (white painted wood).

WE'LL BE POSTING DETAILED LISTS ON WEBSITE FOR NECESSARY WINDOW UPGRADES NOW THAT WE'VE RECEIVED UPDATED NUMBERS FROM PELLA AND TIELEN CONSTRUCTION.