

## 2023 General Manager's Property/Financial/Operations Report

### Introduction:

Welcome to a recap of what turned out to be another record-setting year for revenue, guest satisfaction, continued improvements property-wide and setting the table for future growth and successes here at the Waterbury Inn! If that sounds familiar from last years' introduction, it's because we're making a habit of getting better.

While there have been staff changes both expected and unexpected, and faces will continue to change in the future, we continue to strive for continuity while choosing wisely for future help.

We lost our long-time maintenance person, Robby in June of 2022, and shockingly, lost our jack-of-all-trades maintenance person in late January 2023 in a car accident in Ellison Bay. We did have a great new addition of Ron Hansel, who started on Maintenance and Housekeeping in September of 2022 and is currently living onsite in G03. Our front desk rock, Jenna, will be leaving us after summer as life plans have taken her elsewhere – she will be missed! We lost Ron Stone to medical conditions in July of 2022, and after some tangled reasoning and serious misunderstandings, he attempted to file for unemployment. We fought that and it's continually been dismissed by the powers that be. That chapter should be over. Our head of Housekeeping, Jordan, continues to head up the Housekeeping Team. Together with full-timer Andrew year-round, and part-timer Dana (former head housekeeper) we've enjoyed consistency in that department. We have cross-trained Jordan on Front Desk as well, while Andrew has been cross-trained on Maintenance.

This past summer we had some seasonal help with 5 full-time housekeepers, all college students from Wisconsin. All 5 spent time on Housekeeping while two of the 5 were also cross-trained on Front Desk for the summer.

With this team in place, we took on the challenges of 2022.

### Major indoor/outdoor/office property improvements since our last Annual Meeting Include:

1. **Hallway** All trim work on doors, windows and baseboards replaced with white woodwork. All door jambs on owner rooms painted white. (This is a project in coordination with new hallway/stairwell carpet squares).
2. **Exercise Room** New recumbent exercise bike
3. Installation of 4 additional security/safety cams at entryways to building, while allowing front desk to see outdoor pool/firepit/play area clearly.
4. **Indoor Pool Area:** Hot tub replastered and retiled. Additional jet discovered that had been covered in previous plaster job from 2007. Annual refinish of decking. All Replacement of all old safety signs with matching blue/white signs for a cleaner look. New professional trash & recycle receptacles. New safety mirrors. New bank of windows replacing window bank with broken seals. New sand in Hot Tub filter. New auto-feeder chemical system. Replaced main drain and covers in Hot Tub. All cold air returns and venting painted white. White glossy tile baseboard will be installed during April 2023. Repair of door sweeps on outdoor exit. All doors formerly blue now painted white.

5. **Outdoor Pool Area:** New pool water heater to replace expired unit. New auto-chemical feeder. Replacement of broken picnic table umbrella.
6. All **outdoor pool perimeter** cleaned up and edged with river rock. (In House)
7. **Pool side of building and back of building:** Relandscaped with fresh topsoil and grass seed (In House). Cleaned up retaining wall and planting new Boxwood bushes. Cleaned up rock lines around building.
8. **Outdoor bike rack** pavilion now matches paint/stain of main building. (In House)
9. Installation of **new front entry lighting**.
10. Installation of **new lighting on existing outdoor parking lot poles**.
11. **Painting of all stairwell and hallway woodwork/railings**. (In House)
12. Installation of **Coin Operated Detergent Dispenser in Laundry Room**.
13. Painting and repair of Waterbury Owned Employee Housing **Units G03, 211** (In House). Purchase of acceptable mattresses and bunk beds for J-1 students.
14. Public Restrooms remodel completed
15. Front Entry Way blue doors now white. Updated look. New plank floor and sunken all-weather carpet added.
16. Indoor Pool Shower completed. No door to discourage use as regular shower by guests.
17. Laundry Room floor replacement.
18. Laundry Room – New Water Heater.
19. Updated/Upgraded games for front lobby area.
20. Purchase of more seasonal decorations in keeping with Waterbury Inn feel.

#### **In Room Projects Completed:**

1. All dishes/utensils/pans/cookware/glassware replaced in segments during year.
2. Annual Deep Clean Completed – Including Steam Cleaning Upholstery and Carpets
3. New Room Directories placed in rooms. Upgraded pens in rooms.
4. Repainted many of the borders of the tub installs from 2019. Drywall repairs where moisture had damaged walls due to improper caulk and paint type.

#### **Current Projects To Be Completed Before “Season” (June 2023):**

1. **Outdoor Pool Fence:** Spray paint white to finished job the sanders started last fall (In House)
2. **Uplighting Front Of Building:** One spot on sign at front entry, while having two spots highlight the “A” frame of the pool windows (Action Electric)
3. Continued landscaping cleanup/shrub planting around building perimeter
4. **Hallway/Unit/Closet Signage** (logo-oriented design)
5. **Owner Room Doors:** Upgraded key-lock knobs, hinges, spyglasses, thresholds, safety locks, paint style
6. **Carpets Squares (blue hues) for all hallways/stairwells**
7. **Replacement of Public Restroom Mirrors**

### **Potential Future Projects Contemplated but not currently scheduled:**

- Parking Lot – if not a complete teardown/rebuild, consider paving from street to front entryway of building and installing grates at front for drainage down hill on front property.
- Removal of 3 dead trees on front rock wall near play area.
- Additional Fire Pit/Grill Area
- Interior Insulation Building Wide
- Cutting New Closet Areas for potential storage in empty wall spaces
- Bathroom Fan/Light Kits in most bathrooms
- Indoor Pool Fan Replacement
- Taking a hard look at next steps for In Unit Improvements (including windows, Bed frames, flooring, patio carpet)
- Redesign of entire Front Lobby Area
- Updating Great Room/Fire Place
- Sealing existing asphalt walkways for season
- The plumbing system in the building is original, and we should expect that certain water systems will begin to fail in the next couple of years. Additionally, we had several water main leaks that caused ceiling damage last summer (2022). At some point an inspection and plan would be a good idea to put in place for replacement.
- Replastering Indoor Pool (On immediate table for 2024)
- Replastering Outdoor Pool (should be 2025).
- Replacement of Patio Furniture
- Replacement of Window/Patio Screens Throughout Building

### **Operations:**

1. **(See Advanced Reservation Report attached)** At this time we are on pace for the highest revenue year in our history. While there is no certain way to know future reservations, our current pace tells us that our advertising, customer satisfaction and pricing are putting us in a competitive market thus far.
2. **Employment/Hiring:** At this time we are looking for Front Desk help for nights/weekends, with an eye toward replacing the full time position that will be vacated by Jenna at the end of the summer. We have 5 potential J-1 Visa Students lined up for the summer (from May 25 – Sept. 1<sup>st</sup> or 15<sup>th</sup>) for housekeeping positions. We are also in contact with Missy at Highpoint for any potential “2<sup>nd</sup> Job” opportunities for her J-1’s since we’re an easy walk down the road. We may be looking for either more maintenance help in the fall, or perhaps looking to farm out outdoor maintenance work in the future once the property is in good shape after all the rehab projects are completed.

3. Jordan Sauve continues as head of Housekeeping this year. Dana Metoxen, our former head of Housekeeping, continues in a part-time role. Andrew may be looking for more lucrative work in the future. We would need to replace those hours with more local help.
4. Annual and Semi-Annual **inspections** for pest control, Bryant Units (heating/cooling in rooms) to be ready for Season are in the works. As well, we've re-upped our contract with Tru-Green who have made our property look exceptionally healthy all summer long.
5. We brought in Duct Cleaners last summer for the first time in maybe forever.
6. We will be bringing in a chimney sweep as the propane/oxygen mix were incorrect in the Great Room Fireplace, resulting in much carbon buildup.
7. Mold and Air Quality Tests were performed throughout the building earlier this spring. No evidence of mold, and all tests showed healthy environment here at the Waterbury Inn.
8. **Linen cleaning** from "Linen Press" has notified us that prices are going up. We expected this and in many areas of the budget we've already added that inflation rate of 7% knowing this might happen. Many other vendors are following suit.
9. We are beginning to order larger quantities sooner with all supplies as **supply shortages** will again hit us this summer/fall. Already a typical 3 day wait for shampoo is now stretching to 5 weeks. We continue to be proactive with our ordering procedures.
10. **Pricing of all units** has gone up for Season again this year – 7% flat rate hike across the board during Season. This should result in better cash flow for the Waterbury Inn, and better revenue for owners. We continue to monitor specials, competitive rates and the potential to raise prices even more without discouraging occupancy.
11. **Winter occupancy** was somewhat busier than anticipated. The Christkindl Market did not draw expected numbers in its second year. Without being on the bus route we are at disadvantage. We will monitor that event as it develops, while continuing to look at rates during that time and make competitive adjustments.
12. We continue to accept **minimum 2-night stays** from June 6<sup>th</sup> – October 31<sup>st</sup>. This can be adjusted based on training time and efficiency of housekeeping as well as forecasting occupancy trends daily during the summer, but for now, 1-night "Season" stays are on the back burner. 3 night minimums are being tried this year for Memorial Day Weekend, Labor Day Weekend and potentially July 4<sup>th</sup> (although that does not fall on a weekend this year).
13. **Front Desk and Amenity Hours** have been set for the summer and will be posted online, in the Lobby area and in each room.

14. **Advertising:** We continue to advertise in local print, the Wisconsin Hotel & Lodging Association, seasonally with 106.9 The Lodge, Destination Door County, Ephraim Business Council, our Website, Facebook and sponsorship of several Ephraim events including Fyr Ball, and Music in the Park. As well we're helping sponsor the Door County Half-Marathon. Areas to look in the future are Green Bay/Appleton radio stations, Trip Advisor (online) as well as updating all photos/information currently out there (This is ongoing – should be completed by end of April – along with updating our Destination Door County photos – they keep using old ones instead of the new ones we've provided).
15. As everywhere, inflation continues to hit us in all areas from pool supplies to linen cleaning and everything in between. We always endeavor to be efficient with our ordering and choices.

### **Business/Financial**

1. We have renewed our business relationship with Bacon CPA, LLC and are thrilled with the attention to detail as well as the guidance we've received to date. From accounting to payroll, record-keeping and bill payment systems, to advice and help with IRS matters, this continues to be a good decision.
2. Insurance and Sewer/Water Billings have risen in 2023. New amounts will be factored into future Quarterly Maintenance Fees.
3. Property Values continue to rise. We currently have two (2) units for sale – you can see the pricing on [www.realtor.com](http://www.realtor.com) (currently \$99,000.00 and \$124,999.00) for Deluxe 1 Units. The reputation of the Waterbury Inn is rebounding after some very bleak years with a poor reputation.
4. All banking transactions with owners continue at 100% ACH participation.
5. Vendors/Contractors we said goodbye to in 2022/2023:
  - a. Floor Mart → Duncan Flooring Specialists
  - b. Dave's Tree Service → Alswede Mulch
6. Number of **Units Sold Since Annual Meeting in 2022:** 1

**RCI Future Bank Dates:**

- 2023: Jan 8-14 Feb 12-18 Mar 5-11 April 9-15 Dec 10-16
- 2024: Jan 7-13 Feb 11-17 Mar 10-16 April 7-13 Dec 8-14
- 2025: Jan 12-18 Feb 9-15 Mar 9-15 April 13-19 Dec 7-13

Owners: Please communicate with us if you:

1. Plan on selling
  2. Plan on becoming part of the RCI Program
  3. Have new artwork for your Unit
  4. Change Bank Account Information
  5. Change any contact information (if you move)
  6. Please make Owner Stay Reservations by calling our Front Desk. Emailing GM may slow down your reservation process if I'm out of town or busy with other projects.
4. Change Bank Account Information
  5. Change any contact information
  6. Please make Owner Stay

**FOR ALL OWNER INFORMATION PLEASE VISIT:**

[www.waterburyinn.com](http://www.waterburyinn.com)

**OWNER PORTAL PASSWORD: h1mXZb5B**