

September 9 2023 GM Property/Financial/Operations Report

Introduction:

This will be a brief summary of the activities of the past three months since the last report in June. The overall season has been relatively smooth (with one notable exception), with guest satisfaction high, staff functioning at a high level, and spring and offseason projects creating a great environment for our guests both inside and out.

Indoor/Outdoor/Property improvements since our June Owners Meeting Include:

1. **Laundry Room:** Two old Maytag washers have been replaced with commercial grade Speed Queen coin operated washing machines. Quieter, and with a larger capacity, they are a welcome upgrade to the old machines that had mechanically given out. CLS (Commercial Laundry Services) from Green Bay removed old units and installed new ones.
2. **Indoor Pool Maintenance Closet:** Sand filter media replaced. Plastic supports put under pool and hot tub pumps to eliminate rattling sounds heard in pool room. Adjustments to the auto-chemical feeder system made, including rewiring, wrapping exposed wires. Rotors/Motors changed out on pool and hot tub pumps. ORP (computer components regulating bromine and muriatic acid) machines and hot tub motor jet replaced after water damage from a broken flow tube. This was warranty work by Neuman Pools.
3. **Dennis Kapustka and Chuck Naffier have been putting together a capital improvement list in order to anticipate future replacement costs, life of equipment, etc.** for all common area systems including but not limited to: Water Systems, Electrical Systems, Pools, HVAC Systems, Roofing, Property Improvements, etc. This is ongoing as time permits.

In Room Projects:

Inventory of Kitchen Items: We are taking inventory of all dishes, glasses/cups, flatware, etc. after a summer. Counts take place in unoccupied rooms on evening shifts of housekeeping. Replacement items will be added as necessary.

Spectrum Cable: New cable boxes and remote controls will be installed in each Unit including the Great Room, employee break room, Manager's unit and employee housing units.

The **In Room Directories** have been a big hit with guests, and we will be upgrading them to more durable 3-ring binder padded folders with our logo and contact information clearly visible in gold print on a dark blue background. These will be placed on the TV stands next to the cable guides and guest satisfaction cards to avoid clutter in the rooms.

In Unit Bathrooms: All hairdryers that currently hang on walls will be replaced with bag hairdryers. This will result in more countertop space, elimination of wires getting tangled, and a savings each time we replace the units. Current mounted hairdryers run +/- \$32.00, while bag hairdryers stored under the sink vanity run +/- \$9.00

Appliances: We continue to replace individual appliances (microwaves, dishwashers, refrigerators, etc.) as necessary on an individual basis in the absence of a replacement program building-wide.

Bryant Units (Heating/Cooling): We've increased our knowledge base on keeping these in working order in-house. Currently we are cleaning all filters and checking all drainage for clear lines as we begin to switch from A/C season to Heating season.

Garden Level Units: We are experiencing difficulties controlling the musty smells in the Garden Level units (G01 – G07). Multiple solutions have been explored with dehumidification, deodorizing, carpet cleaning, etc. After seeing the cracked and decomposing condition of the flooring when the new hallway carpets were installed, it is possible that the ground level units are leaching moisture through undiscovered foundation or concrete slab cracks. We continue to monitor the situation.

Current Projects To Be Completed:

1. **Hallway/Unit/Closet Signage** (logo-oriented design – install after completion of carpeting)
Originally scheduled to happen in the late spring, by the time we got the carpeting/trim/paint work finished in the hallways, we didn't have time to clean and refinish each door in the building. As things slow down we will complete this project so that we have time to make the current doors look good during the transition.
2. **Owner Room Doors:** Upgraded key-lock knobs, hinges, spyglasses, thresholds, safety locks, paint style (this remains on hold for financial reasons).
3. **Replacement of Public Restroom Mirrors (to be completed after season)**
4. **Closedown of Outdoor Pool October 1st.**
5. **Fall Cleanup of Full Property and Holiday Decorations (Fall and Christmas)**

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 (**UPDATE: Do we want to keep the heat lamp function?**)
- 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.**

UPDATE: We had a full building loss of water pressure in July. This necessitated the cancellation of 25 reservations, many of which were rebooked the next day when water was up and running again. We also had to ask in-house guests to vacate their units since we couldn't provide running water or toilets that flushed. **We have asked for 3 levels of repair options:** Band-Aid short term solutions to get us through season, longer term replacement of water storage tanks in water room with improved plumbing systems, and/or adding an additional well head and fixing the exposed well head we currently have. This is not a new situation, and when Anschutz Plumbing came out to look, they found their temporary patches still in place from 6 years ago. We've been informed this will predictably happen again because of the age of the system and the lack of maintenance over the past 30 years. This situation is currently unresolved.

- **Replastering Indoor Pool (On immediate table for 2024)**
- Replastering Outdoor Pool (should be 2025).
- Replacement of Patio Furniture for Deluxe I & II Units
- Replacement of Window/Patio Screens Throughout Building

Operations:

1. **(See Advanced Reservation Report attached)** Advance Reservations are lagging behind last year's record setting levels at this time. We will continue to explore advertising options, pricing packages, and the opening of more 1-night stays as staffing permits.
2. **Staffing:**
 - a. Front Desk Nights/Weekends (Full Time) – Filled by year-round person.
 - b. J-1 Visa Students: We made it successfully through Season with 4 in-house J-1 students, and 2 borrowed from Pine Grove Resort for part time hours. Those part timers finished their last day on August 25th. Our in-house J-1's will all be done by September 17th. We've hired two additional part-time housekeeper J-1's who are available to work locally until October 3rd.
 - c. Part Timers: We have two local part timers for the foreseeable future each working approximately 12 – 20 hrs weekly.
 - d. We are asking two additional staff members to get their CPO certification. (Certified Pool Operator). This involves taking an online course and a timed test. Certification lasts for 5 years, and will immensely improve the operation of our pools and hot tub.
3. **Year-Round Staffing:** We've retained our one full-time person (Andrew) and our Maintenance (and Housekeeping Backup) (Ron). We did not find a replacement Head Housekeeper, and Chuck Naffier has filled that role since June 6th, while training current staff for potential to move into that position in the future. We are ready to hire another full-time local housekeeper on September 12th to allow us to continue to operate at peak efficiency once the J-1's leave.

4. **Tru-Green Lawn Services** and **Mosquito Squad** have been out for regular visits to keep the property pleasant for guests. **WIL-KIL Pest Services** will be out for their annual pest inspections this fall. **Van's Fire Safety** has replaced all old fire extinguishers and burned out battery packs on the LED Emergency Lighting system.
5. We have replaced **GFL (Green For Life)** trash/recycle services with a local company called **Going Garbage, Inc.** Old receptacles were replaced with brand new units with better curb appeal and greater capacity. They came in \$140.00 lower per month for the same services, and also show up the same day for large appliance disposal. They are also the same company that provided 10 yard containers for disposal of construction materials.
6. We have received the next annual contract proposal from **Bacon CPA, LLC**. The proposal is currently being reviewed by the Board of Directors.
7. **Linens:** We had a minor disruption in our linen service (**Linen Press**) when the day-to-day operations manager unexpectedly passed away. We've had great service as they've gone through their grieving and reorganization process.
8. **Supply Lines for Housekeeping:** We had no shortages of the products we use daily here onsite. Our super-stocking in advance made any shortages seamless. Our suppliers are **Warner-Wexel, HD Supply** and **Northwoods**.
9. **Front Desk and Amenity Hours** will be adjusted to Fall hours after the Fall Fest weekend in Mid-October.

Business/Financial

1. All owners have been notified by Board President Bill Niemiec of the additional assessments being applied to the July and October Quarterly Maintenance Fees.
2. As per Board direction, this year the **Preliminary 2024 Budget** will be completed in October of 2023, with estimated projections being used for the final 2 months of 2023.
3. In order to pay for the final Flooring Project invoices (**Duncan Flooring**), we transferred money from the Reserve Account to our Maintenance Account to pay the remaining balance. **Those funds will be replaced back into the Reserve Account after the October, 2023 Quarterly Maintenance Fees have been received.**
4. **Legal Fees:** Unbudgeted Legal Fees incurred during the process of updating the Waterbury Inn Owner Association By-Laws and Owner Rental Agreement were paid for out of the Reserve Account by transferring funds to the Maintenance Account. **Should this money be returned to the Reserve Account, or was the able to be attributed to the Maintenance Account?**
5. Number of **Units Sold Since June 2023:** 1
6. Number of **Units For Sale** Currently (listed on website): 8

RCI Future Bank Dates:

- 2023: 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.
7. Plan on photo shoots in rooms or have Realtors planning visits.

FOR ALL OWNER INFORMATION PLEASE VISIT:

www.waterburyinn.com

OWNER PORTAL PASSWORD: h1mXZb5B