

November 11 2023 GM Property/Financial/Operations Report

Introduction:

This is a summary of the activities of the past two months since the last report in September. Season has come to an end and we are ready. We have been quite busy on weekends in November to date, but that will slow as the weather changes. The staff is preparing for winter projects and enjoying a slower pace for a while before Deep Clean begins.

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

1. **Water Room:** Minor repairs to two main water tanks by Anschutz Plumbing. Air pressure meters and valves installed. Minor leaks addressed.
2. **Outdoor Pools Closed For Season:** All signs, hand rails, ladders, handicap chair, towel caddys , trash/recycle bins, emergency phones and pool furniture have been put into winter storage, all pool plumbing blown out and winterized, all chemical and pool heating system shut down for winter, pool drained to 2 feet and covered. Underwater pool lights disconnected.
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. **(We are getting close to finished on this project).**
4. **Circuit Board Replacement:** Furnace #1 in HVAC room – water damage.
5. **Exercise Room:** Ceiling Drywall Damage Repair/Paint

In Room Projects:

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. **(NOTE: This was to have occurred in September, then in October. Spectrum was a no-show twice. We now have a conference call scheduled with Spectrum managers, our representative and myself for November 27th, 2023 to finally get proper service.)**

The **In Room Directories** project is on hold until we get the updated Spectrum TV remotes and guides.

In Unit Bathrooms: As discussed at the last BOD meeting, all units need new bathroom venting fans. The hairdryer replacement will begin after Thanksgiving, with plaster and painting repairs to take off the wallmounts.

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.

Garden Level Units: We still need a long term plan for the mustiness and humidity in the units and in the hallways for the Garden Level. Until we see the condition of the subfloor and concrete slabs, we won't truly know the conditions that need to be addressed.

Rooms: We have not had a major upgrade in the rooms since 2019. The **carpeting** and the bedding are in rough shape. **Platform Bed Frames** would be an ideal solution to many of our challenges in the bedrooms (**Owner Maintenance Cost**). Our biggest and most consistent complaints from guests are about the dated nature of the rooms and the uncomfortable beds.

Bedding itself desperately needs to be upgraded – we've not changed it since 2017 according to records. The Waterbury Inn owns blankets, top sheet, mattress protectors, mattress bags, pillows and comforters. All upgrades here can come from **RENTAL accounts**. This should be a priority if we're to be ready for next season with demonstrably better guest accommodation.

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. **Well Head to be replaced:** \$3,000.00 (Euclide Well Co.)
4. **Water Tank Replacement in Water Room:** Budgeted for 2024
5. **Replacement of Public Restroom Mirrors (to be completed after season)**
6. **Fall Cleanup of Full Property and Holiday Decorations (Fall and Christmas)**
7. **Painting Front Lobby halls (ceiling and walls)**
8. **Manager's Unit:** The BOD and the GM have agreed that there are upgrades and quality of life repairs that are necessary in the Manager's Unit. These include carpet replacement, flooring repair/replacement (as needed), baseboard/trim replacement, wall painting, baseboard heating replacement, main entry door and patio door replacement and interior doors throughout the unit. Action Electric (baseboard heaters), Carpet One (carpeting/flooring) and Home Depot (doors and trim) have been contacted to date.
9. **Chimney Cleaning**

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.
- **New commercial quality playset including installation (from RENTAL)**
- **New Lobby Furniture/Flooring (Furniture can be from RENTAL)**
- 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
- **Replastering Indoor Pool & Decking Resurfacing (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. **Reservations** for the remainder of the year are ahead of schedule for November, and lagging somewhat in December. We expect New Year's reservations to track the same as they have the past few years. We have more participants in the RCI Program at this time, which skews our Average Daily Rate (ADR) since the numbers average into the regular rental rates.
2. **Website Upgrades Requested:** We've finished the upgrades to the TripAdvisor, Waterburyinn.com and Expedia websites – upgrading photos, etc. These should show up in the next few days.
3. **Waterburyinn.com Upgrade:** We've requested TravelSolutions to come up with next level website presence. We await pricing information.
4. **Pricing** for 2024 Rental Rates will be updated after the Preliminary Budget is approved at the December BOD meeting. We anticipate a 7% increase in pricing, with a potential 5% decrease in occupancy after two record-setting summers in a row. This is partially due to the ever-increasing numbers of Air B'n'Bs being opened in Door County
5. **Staffing:**
 - a. Front Desk Nights/Weekends (Full Time) – Filled by year-round person.
 - b. J-1 Visa Students: We've already begun receiving applications and are looking to hire 5 students in 2024 as full-time employees while living in Unit 211 for employee housing.
 - c. Part Timers: We continue to have 2 part time housekeepers for the winter season. We are looking for part time front desk help starting in December to help cover the departure of one of our long-time full timers.

6. **Year-Round Staffing:** We've retained our one full-time person (Andrew) and our Maintenance (and Housekeeping Backup) (Ron).
7. The General Manager **Contract** has been signed by the GM and the Board President. The current contract expires Dec. 31, 2026.
8. The BOD has agreed to look into hiring an **Asst. Manager** and has also agreed to make the necessary repairs to the Manager Unit as part of the contract negotiation. Chuck (GM) has been making the necessary connections in this regard.
9. **Inspections** have been completed for our furnaces, indoor pool dehumidifiers and indoor fireplace by SYNERGY. WIL-KIL has completed their semi-annual bedbug inspection. Culligan Water Systems will be coming in November to complete their annual inspection of our UV Water System.

Business/Financial

1. The Preliminary Budget has been completed and sent to the BOD for discussion.
2. At a previous meeting, the subject was brought up about how to protect the WBI bank accounts with FDIC Insurance only covering so much at a single institution. While there seemed to be agreement that some action should be taken, to date this is still on the table.
3. Secura Insurance is anticipating higher rates for 2024. We await accurate numbers from our Insurance Rep upon his return from vacation (November 14).
4. The Village of Ephraim has informed us that their water rates will be rising by 7% in 2024. This, combined with higher rates in 2023, may well require a bump in the Owner Assessments.
5. Number of **Units Sold Since September 2023:** 0
6. Number of **Units For Sale** Currently (listed on website): 8

RCI Future Bank Dates: (Specific November Dates are being considered after 2023)

- 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