

Lake Forest Resort & Club Condominium Association Board of Director's Meeting December 3, 2017

Morning

Dan Krueger called the meeting to order at 9am. Those present were Dan Krueger, Tim Mikel, Laurie McWard, Tammy Schultz, Dennis Breidenbach, Michael Schultz, and Curt Knapp. Once the quorum was established, Dennis moved to approve the agenda, which it was.

Secretary's Report

The minutes from the September 22, 2017 board meeting were reviewed. Tim made a motion to approve. They were approved.

President's Report

- In preparing for the annual meeting:
 - The board reviewed completed projects, budget, and other details.
 - Dennis was appointed as parliamentarian
 - The board completed election ballots for association owned weeks.

Resort Manager Report

Because Sue Couture was not able to attend the meeting, Tim read her report to the board.

Marketing Activity:

- * There was a professional photographer out to the resort late this Summer who took a drone video and still shots. Those updated images are now on our website photo gallery and all Online Travel Agency listings.
- * Our resort listing has been added to Trivago.com and Booking.com - both are waiting to go live.
- * Sue recently worked with an owner, who is a retired art director, and we now have a new logo for the resort. It's currently on our website and we'll start to integrate it into other advertising mediums but we won't be updating our property signage anytime soon as that is cost prohibitive.
- * Weekly Exit Survey comments are now being posted on social media using the hastags: #sharedownership #vacationownership #lakeforestresort #eagleriverwisconsin, etc.
- * A weekly sales flyer is being placed in each Welcome Packet.
- * Two resale ads have been placed on TUG - Timeshare User's Group - which according to statistics has the most successful rate for resales. A week 18 for fishing and a week 4 for snowmobiling. So far 1 inquiry.

Resale Activity:

- * A spreadsheet to track resale statistics has been created and will be shared at the April board meetings.

Rental Activity:

- * Christmas and New Year's Eve are fully booked with Russian renters.
- * A spreadsheet to track renter statistics has been created and will be shared at the April board meetings.

Front Office:

- * Caurie is no longer employed by the resort. An ad has been placed on Indeed.com and we've received over 30 responses.
- * Mary Jo, our housekeeping supervisor, has been cross trained to help out in the front office. While she can't perform many of the routine procedures, she can answer the phone and assist guests, which is a big help.
- * Former Front Office Coordinator, Denise, is back working one Saturday a month.

Maintenance:

- * In October Nick and Mike experimented with an aerator in the bay and were successful at moving some silt away from the piers. It will be a slow process - possibly taking years to move it all - as the silt is up to 3 ft deep in some areas.
- * Sue, Nick and Mike continue to work on a Maintenance Operations Manual.

Asset Replacement:

- * The new kitchen countertops for condo 120 were installed on 11/20.
- * The new living room upholstered furniture for condo 116 was ordered and should arrive mid - December. Sue will send out pictures of both these projects in her next email blast.

Miscellaneous:

- * 2017 Wisconsin Act 59 became effective September 23, 2017. All short-term lodging marketplaces will now be required to register with the Department of Revenue for a license to collect taxes imposed by the state and to collect room taxes imposed by Wisconsin municipalities. We hope this measure will discourage some previous VRBO and Airbnb properties that we were competing with.
- * There was a representative from Society Insurance out to do a review of the property. As a result of that, we have to add handrails to 2 sun decks next Spring.
- * When the carpenter was in condo 120 measuring for the new countertops Sue had a conversation with him about the stair case. If we ever wanted to, it is possible to rebuild it. There is enough room at the bottom to make it work. It would still be within building code but it would be tight. That would run in the \$5000 - \$6000 range. There are other options as well but they would run more.

Financial:

- * Year end maintenance fee collection figures will be reported with the December financials.
- * Cash flow is anticipated to very tight in December for reasons previously discussed. Namely we budgeted more for asset replacement this year. In addition, we're currently running 2% behind in maintenance fee collections as compared to this time last year.

Asset Replacement

Tim Mikel reported that all projects slated for 2017 have been completed. Some of the projects for 2017 included exterior cleaning of building 109 – 116, blacktopping, new dock on Nature Point, along with updates to furniture, countertops and flooring, as needed.

The asset replacement schedule for 2018 was reviewed, along with the asset replacement schedule for the next several years.

The board also discussed the Asset Reserve Fund and how best to balance between making improvements to the resort, while growing the Asset Reserve Fund.

Personnel and Policy

Laurie reported that she sent the board's suggested 2018 goals to Sue Couture for her to review. Laurie, Curt, and Sue will discuss how to structure the goals to ensure they are achievable, measurable and have a positive result for the resort.

Treasurer's Report

Bank Balances as of October 31, 2017

Operating Checking - \$28,013.15

Asset Reserves Fund - \$85,661.28

Operating Money Market - \$148.72

Dennis reports that we are not anticipating a surplus in cash, as we have enjoyed the last few years. One reason is that bad debt continues to rise. Bad debt is costing owners approximately \$79/week.

The proposed budget for 2018 was reviewed and will be presented at the annual meeting.

New Business

The board discussed the logistics of conducting the annual meeting electronically, which may result in more owners being able to participate and decreasing the cost of the meeting. Michael Schultz has agreed to look into electronic meeting options.

Tammy made a motion to suspend the meeting until the afternoon.

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