

# Breezy Shores 2022 Annual Meeting

May 1, 2022

## Call to Order

Derek Nelson called the Annual meeting to order.

Attendees at the Annual Meeting included:

<b>Present (in person)</b>	<b>Present (remotely)</b>	<b>Name</b>	<b>Position / Role</b>	<b>Term Expires</b>
Yes		Derek Nelson	Director – President	May 2022
Yes	--	Jan Smith	Director – Vice President	May 2023
Yes	--	Jonathan Landlaw	Director – Secretary	May 2023
--	--	Vacant (Don Edblom)	Director - Treasurer	May 2022
No	No	Brian Doucette	Director	May 2024
Yes	--	Dale Overman	Director	May 2023
Yes	--	Lorraine Weber	Director	May 2024
Yes	--	Jamie Lewis	Resort Manager	N/A
Yes	--	Dewane	Resort Maintenance	N/A
		Owners (approximately 20 – Jamie has sign-in sheet)		

Derek Nelson informed the group that according to the By Laws we do not have a quorum to elect Directors because we did not get enough owners to vote.

Jan Smith said that when the original Board of Directors reconvenes after the annual meeting, those Board of Directors members will vote on the officers for the 2022-2023 year. Then, those Directors will look at the ballots and other possibilities and appoint members to the Board of Directors.

Jonathan Landlaw read the Notice of Annual Meeting to the group.

Jamie Lewis, Resort Manager, provided a presentation to the group:

- Reviewed Board of Director Members
- Reviewed Treasurer's Report
  - Balance Sheet
  - P&L
  - Projected Cash Available (not in owner booklets)
  - Reserve Account (not in the owner booklets)
- Reviewed Manager's Report
  - Year-End Unit State (not in the owner booklets)
  - There was a questions about delinquent owners and it was clarified that delinquent owners cannot use their unit if they are delinquent, but the resort can rent the unit. Delinquent is at

least two years past due and are in Collections. The 17 new delinquent were newly put into Collections.

- Occupancy Comparison 2018-2021 (not in owner booklets)
- RCI – Breezy Shores is classified as a Silver Crown Resort
- Property Taxes (market value and tax liability)
- Insurance Coverage – one page summary (not in owners booklet)

There was a drawing to give away a free one-week stay during a blue week. Three names were drawn and the three owners that were present were instructed to see Jamie after the meeting to make arrangements for using the free week's stay.

## **New Business**

- City of Detroit Lakes Construction Project on Lake Drive
  - Construction starts mid-June 2022 and access to the resort will only be from the South (there will not be any access to Lake Drive from the North).
  - City is removing the rock / gate entrances as part of the project. Once construction is fully completed, the Board will have to address what to put at the entrances. It has been mentioned that many people look for the globe lamp posts.
- Cable TV
  - Arvig has informed the resort that they will be discontinuing cable services the end of 2022. There is not a plan in place for businesses like Breezy Shores so we may have to look into streaming services.
- P&L Overview
  - January to December 2022 (not in owners booklet)
- Next Annual Meeting
  - Sunday, May 7, 2023 at 1:00 pm Central

## **Q&A and Open Discussion**

### Rental Prices

- Derek Nelson made a suggestion that \$600/week rental rate for off season may be too low, especially since the annual maintenance is \$595. The Board should review rental rates – both peak and off season.

### Sale of Units

- Derek Nelson mentioned that some resorts have sold units to corporations – this could be an idea for some of the resort-owned units. Jamie said that Concordia College currently owns one unit that is used as part of an employee incentive program.
- Owner attending the meeting suggested that a plan be put in place to reach out to businesses in Fargo to try to sell some of the resort-owned weeks that they could use for corporate activities or incentives.

### Furniture Improvements

- Owner attending asked if we have to do all projects for all units in the same year (i.e. bedroom sets). Derek and Jamie both mentioned that some projects have been spread out; however, the resort can

usually get better pricing for a larger order. Also, owners can sometimes complain if they know that some units have been upgraded and the one they have has not yet gotten that upgrade.

#### Assessment from City for Road Project

- An Owner asked how much the assessment is for the City road improvement project. Either the amount was not shared in the meeting or it was not captured in the notes. It was discussed that this would be added to the property taxes as a special assessment over some period of years.

#### Resort Projects in Process – Jamie shared information about the following:

- Swimming Pool – there was some past vandalism of tiles, so during maintenance week, the remaining tiles were removed and the pool was painted.
- Pool Restrooms – there was a “facelift” done to the restrooms.
- Conference Room – the resort is converting this into an “Arcade Room”. The arcade company would no longer provide electronic games in the pool area due to the humidity causing problems with the electronics. The Conference / Board room is being converted to an Arcade Room (accessible from the pool area) and there will be Foosball, Electronic Darts, and four arcade games. The Arcade Company will provide and service the games and the resort will receive 40% of the arcade revenue.
- Louvered Doors in Units – one idea is to remove and replace with barn doors in front of the furnace and hot water heater.
- Winter Activities – Jamie said that once she is staffed up, she would like to do more activities in the off season, for example, indoor bean bag (corn hole) tournament, movie night in the pool area on Saturday night, etc.
- Security Cameras – the Resort Manager is obtaining quotes for security cameras (especially the pool area, arcade, office, etc.) for Board Approval.

#### Suggestions from Owners – Work with Local Business:

- Owner suggestion – the resort should try to work with J & K Rental and see if they can offer any deals for owners (peak and off peak).
- Owner suggestion – the resort should work with Detroit Mountain and see if they can offer any deals for owners (off peak).

#### Feedback from Owners

- Concern – Owner mentioned that the patio door lock on their unit is broken and that this is a major safety concern. Jaime said that the resort just found the replacement locks and the owners was assured that this was a high priority project.
- Concern – Owner mentioned that – looking at trends – every year more and more people drop out and maintenance fees go up. At some point down the road, will we hit a breaking point and what happens then?
  - Per Jan Smith, at some point, the group has to decide what to do. The By Laws have the resort association in place until 2047.
  - Per Jonathan Landlaw, there has been discussion about opening the resort up more to the public; however, that could potentially impact the resort’s current non-profit tax status.
  - Owner mentioned that the resort needs to be much more aggressive about delinquents and renting out the units that the resort owns for a fair rate. The Owner mentioned that during prime time, the rate would be at least \$1,200 per week for a 2-bedroom unit on a lake. And, as mentioned earlier, the off-peak rental rate may not be high enough either.

- Derek Nelson mentioned that the group did try to vote to have a higher maintenance fee for the “peak” vs. the “off-peak” seasons, but the vote did not pass.
- Dale mentioned that some of the reason some of the condos are coming back to the resort is due to the age of the owners (the resort is not the best for accessibility with the bedrooms on the upper level). We need to try to get existing owners to hand these down to their family members and attract a lower age of owners moving forward.
- Suggestions for Improvement
  - Owner suggested we do more marketing about the ice fishing at Breezy. Jonathan said that the resort owns two fish houses and provides those and heaters to owners for free use. Each fish house can hold 4-6 people. The propane heater is provided – the owner just buys propane.
  - Owner said that they also own at Lake Carlos Villas (Alexandria, MN) and there was an issue of their Bulletin / Newsletter that listed all of the **benefits** of being an owner of the resort. He will try to find a copy of the newsletter to provide to Breezy for marketing ideas.
  - Owner said that we have feedback today about multi-generational ownership so need to have some “testimonials” about the 3<sup>rd</sup> generation coming to the resort, etc. – why we love Breezy. The web site and marketing plans need to incorporate what the proud owners already believe.

## **Meeting Closure**

Derek Nelson asked for a Motion to Adjourn the Annual Meeting.

Linda Edblom (owner) made a Motion.

Bea Imholte (owner) seconded the Motion.

Motion Carried.

Derek Nelson adjourned the 2022 Annual Meeting.