

# **Breezy Shores 2023 Annual Meeting**

**May 7, 2023**

## **Call to Order**

Jonathan Landaw called the Annual meeting to order.

Roll call and introduction of directors was done.

<b>Present (in person)</b>	<b>Present (remotely)</b>	<b>Name</b>	<b>Position / Role</b>	<b>Term Expires</b>
Yes		Jonathan Landaw	Director – President	May 2023
Yes		Jan Smith	Director – Vice President	May 2023
Yes		Lorraine Weber	Director – Sec. / Treas.	May 2024
Yes		Dale Overman	Director	May 2023
No	No	Brian Doucette	Director	May 2024
Yes		Scott Ruud	Director Interim Resort Manager	May 2025
Yes		Jesse Borash	Director	May 2025
Yes		Rustin Lippincott	Resort Manager	
		Owners – 17 people		

Lorraine Weber read the Notice of Annual Meeting to the group. Jonathan said that Minutes from the 2022 Annual Meeting were not included in the meeting packets sent out. They will be sent out later and the Owners should contact the Resort Manager if there are any questions.

Recognition of Dewane Keetley retirement after 34 years of service. Jonathan presented a plaque to Dewane in honor of his service to the resort. Rustin introduced himself to the group and also said Thank You to Dewane for his assistance at the resort. Dewane will be here for a while longer.

Rustin said that he lived in Iowa for 40 years and worked in tourism and ran a convention and performing arts center. Rustin lived in Montana for a couple of years and his daughter lives in her truck in Montana and is a guide at Yellowstone Park. He had an opportunity to move to Detroit Lakes and heard about the position at Breezy Shores. Rustin has been at the resort for about eight weeks – looking for a different vibe here – when Owners arrive, they are on vacation so we need to match that vibe. If things are not what your expectations are, please do not leave without sharing if we exceeded expectations, where we came up short, and suggestions for what you would like to see done.

## **Financial Report**

Rustin Lippincott, Resort Manager, reviewed the Financial Reports that were included in the Annual Report that was sent to Owners.

- 2022 Balance Sheet as of 12/31/22 – Cash Basis
- 2022 Profit and Loss – January through December 2022
- Where your 2022 Maintenance Fee Was Spent and Occupancy Comparison
- 2023 Profit and Loss Budget Overview – Cash Basis – January through December 2023

Question from Owner – the Receivables figure listed on the Balance Sheet – is that typical for this time of year? Per Rustin, this is a snapshot for year-end 2022. Without kicking the people before me, we could have done a better job collecting maintenance fees at the end of the year. The previous manager left in November. The first quarter since Rustin started at the resort, we have collected \$20,000 of maintenance fees that were due. They have established some payment plan options for paying maintenance fees over time (credit card, check, installments). We are focusing first on collecting the recently overdue maintenance fees and then we will discuss and review what needs to be done with any units that have delinquent maintenance fees.

Per Rustin, relative to the budget, we will be good stewards of your money but we are not going to pinch the owner experience. We want to be mindful of expenses while also increasing the value of the experience. Rustin said that if Owners have questions or need information, they can contact Rustin or any Board Member.

Question from Owner – is the Board considering having an audit on 2022 or do you think it is not necessary. Per Rustin, we did hire an outside firm to help close the books for 2022. Per Scott Ruud, through all of the time of transition, Scott Ruud has been helping as interim resort management, there is no money missing; however, there is money that was put in the wrong accounts (inflow and outflow) and that is what we have been correcting. We have not discussed an official audit and that could be expensive. That is something we could consider if the Owners requested or determined that it needs to be done. Per Rustin, when the previous Resort Manager was promoted from the Office Manager to Resort Manager, she did not hire an Office Manager – she helped with housekeeping and other things and was spread pretty thin. Certain large purchase amounts were put in one account, when it should have been split out by type of expense (maintenance, cleaning, etc.) – things were not properly coded.

Same Owner with Follow-up Question – I am not so concerned about coding of expenses – I am concerned about the occupancy of 801 for the year 2022. Per Rustin, if someone pays the maintenance fees, you assume they will come and use the week. Then we also have rental income from owners that come and stay a week other than what they own.

## **Resort Manager's Report**

### First Two Months Observations

Rustin Lippincott, Resort Manager, provided a presentation to the group.

Rustin wants everyone to know that they can get in touch with staff at the resort. We have changed email addresses to allow people to get access to both the office and the manager:

- [Manager@breezyshoresresort.com](mailto:Manager@breezyshoresresort.com) – direct to Rustin Lippincott
- [Office@breezyshoresresort.com](mailto:Office@breezyshoresresort.com) – general Breezy Shores correspondence

Rental income – we are trying to maximize revenue through rental income. The resort had a timeframe in February where all units were occupied. Some owners that come in the summer, may also rent for a week or a weekend in a different season.

Owner Question – is the Board ready to clean up the list of units for sale and how they are offered for sale. I am a family that has been trying to buy a unit since last August and found out the unit they were interested in was not even owned by the resort. Per Jonathan, the “For Sale” list was mismanaged for a few years. We were working with a realtor in town. We are cleaning up the list, making sure we know what is available for sale. We as a resort, cannot sell a privately owned unit; however, on the Association owned units, we have the ability to sell them because the Resort owns them. Per Rustin, we have a list of all the units that the Association owns. We also have a list of Owner units for sale. Then, we are also looking at units where there is an owners but maintenance fees are behind and we need to look at other options for that (deed back, etc.). The Board has established a price list for the Association owned units. Jonathan said that we are updating Facebook and the website and we will have all of the available units for sale on the website.

Question from Owner – is someone still monitoring all of the old email addresses? Rustin said that all of the old email accounts are ported to the new email accounts.

Question from Owner – for the sales of the Association owned units – how are we handling the sale of the units – in house or through the Title Company. Per Rustin, we are creating the deed in-house and recording it at the Courthouse. Per Scott, there are certain transactions we cannot create a deed. If the sale is owner to owner, the resort does not get involved. Pat was wondering if we were paying title fees or attorney fees for resort-owned units – the answer was that resort-owned are just the cost of recording the deed (resort prepares deeds). Per Rustin, we do have some old deed records that are kept in the office.

Question from Owner – how would you term the traffic at the resort. Per Rustin, there are still people calling wanting to pay good money for units and asking what units are available for sale and/or for rent. Per Scott, I would say that there is more interest today in people looking for units to rent or own than there has been the last 13 years I have been involved with the resort Board. We have gotten more interest in holidays (Christmas) and the spring and fall. With more publication and marketing, we may be able to get more interest in sales and rentals.

Question from Owner – are all of the association owned units prime time? Per Rustin, there are 419 association owned units and 80% of them are week 1-20 or 35-52. There may be a few in the prime season timeframe.

Question from Owner – if you consider this – if you could get all of the sales running through a real estate firm, could you maybe find interested people and have all of the sales done through a title company and realtor to get sales done and done properly. In the past, the realtor had all of the information. Per Scott, there are a few firms around the country that only do timeshare sales – but these may not be reputable.

Per Pat – we need to get the for sale list out there to owners and on Facebook and website. Consensus from the group was to have the list of units for sale on the Bulletin Board as well as on the website and Facebook.

#### Office Hours Change

- The resort is changing office hours to help save money on staffing costs.
- For the summer, the office will be open until 9:00 pm on Fridays only (check in day). There is the option to put a lock box on the door if you need to arrive late (make arrangements in advance).
- Owner Question – I used to work here and so we need to make sure that the staff has time to take care of all the check-ins, lock boxes, etc.
- Owner mentioned that she lives right in Detroit Lakes and only got her owner book last Monday.

**NEW OFFICE HOURS – as of the Annual Meeting 5/07/23:**

<b>PRIME SEASON – May 15<sup>th</sup> – September 15th</b>	<b>Office Opens</b>	<b>Office Closes</b>
Monday through Thursday	9:00 am	6:00 pm
Friday (check-in day at resort)	9:00 am	9:00 pm
Saturday	9:00 am	6:00 pm
Sunday	12:00 pm	5:00 pm
<b>OFF SEASON (1/01-5/14 and 9/16-12/31)</b>	<b>Office Opens</b>	<b>Office Closes</b>
Monday through Thursday	9:00 am	6:00 pm
Friday (check-in day at resort)	9:00 am	8:00 pm
Saturday	9:00 am	6:00 pm
Sunday	Closed	Closed

**Staffing Updates and Activities**

- The Office staff is basically all new, except for Rhonda.
- Joyce Ruud has accepted the position of Office Manager.
- We are looking at options for activities – music, karaoke, owner welcome, etc.
- We are trying to make this a better resort but we need to do it over time.
- Owner questioned the hours change relative to rentals (bikes, boats, etc.) Per Rustin, we are going to look at different options – initially would like people to come to the office to rent before the office closes and then return rental items at 9:00 pm (honor system for return – maintenance to lock up).
- Owner Question – how are the chemicals in the pool handled to ensure we are at the right levels? Per Dewane, the pool is checked every morning. As we transition to a new maintenance person, part of the requirements will be to monitor the swimming pool and hot tub.
- Owner Question – What is the plan for maintenance? Dewane will be moving to a part-time basis soon and we have a new full-time maintenance person starting employment in May.

**Old Business**

**Motion:** Bernie Imholte made a motion to approve the Financial Report.  
**Second:** Pat Krauth  
**Discussion:** N/A  
**Vote:** All in favor  
**Result:** Motion Carried

Rustin reviewed the Major Projects list of what has been addressed and what is upcoming, and welcomed feedback from Owners. Rustin reviewed the association weeks for sale by time of year category.

## **Election – Board of Directors**

Review proxy and voting procedure

- Per Scott, we have received a quorum of votes through email votes, mail in votes, and votes made in person at today's meeting.
- The top three vote getters will be elected to our Board

Introduction of candidates for election

- **Dale Overman** – I have been on the Board for two terms. There have been some challenges over the last year. We have a strong Board now and we are always welcoming new people in. There has been a lot of extra meetings, phone calls, members that have travelled numerous times – there has been a lot of behind the scenes over and above. We have an amazing group of people that have worked hard to help keep pushing things forward. You will see some new faces and new ideas coming to the resort – there is a lot of energy coming, which will be a really good thing for the resort.
- **Jonathan Landaw** – I have been on the Board for two terms. After I got elected, we decided to have three 3-year terms and then you have to step off the Board for one year so that we have some continual change in the Board. Both Dale and I are seeking our third term. Turnover is good, but having some individuals on the Board with experience helps us to not fall back into past issues with some resort managers. Our job as the Board is to keep the Resort Manager on the right track and keep things moving forward. All of the candidates this year are very good candidates.
- **Pat Krauth** – I live in Hastings, MN and I am originally from Moorhead, MN. I worked for Clay County for many years and also worked in the Twin Cities. I have 10 grandkids – my Dad is one of the original owners here of Unit 501, week 31. Now my family has units in weeks 29, 30 and 31 at the resort. I have been interested in helping with the resort for many years. My father passed away last year – Dad was on the Board for many years – he kept encouraging me to do something like this, so I decided to run.
- **Zach Mauer** – not in attendance – was not able to attend today due to some family medical issues.

Jonathan acknowledged our appreciation for Jan Smith's 9 years of service to the Board.

Scott Ruud, Board Member, stepped in as a Contractor to serve as the Interim Resort Manager and we truly want to thank Scott for his service.

### **Door Prize Drawing (Winter Week Give Away)**

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 Joyce after the meeting to make arrangements for using the free week's stay.

- Joe Wizenburg
- Darlene Gunderson
- Jo Ann Baldwin

## New Business

- Next Annual Meeting
  - Sunday, May 5, 2024 at 1:00 pm Central
- Election Results – there were a total of 210 votes recorded – quorum was 207 votes. The three members for next year’s Board are:
  - Zach Mauer
  - Jonathan Landaw
  - Dale Overman

## Owner Questions

An Owner wants to know if the Board will consider changing the policy to allow dogs to stay in the units – will the Board consider allowing pets – boarding is expensive. Per Jan, this can be reviewed at a future Board meeting. Per Jan, as an RCI owners, it will be difficult to get that situation here because RCI does not allow pets at RCI resorts. If there are any questions like this, the Board can address Owner questions at a future meeting. Per Jonathan, if the pet is a certified State-approved legitimate Service Animal, the resort must allow that.

An Owner Question – when we connected to the City did the sewer get better? Per Jonathan, when we got connected to the City sewer there have not been any issues. We still ask people to not use flushable wipes.

What is the status of the parking lot for summer? Per Rustin, the parking lot is open, but there are some areas that need to be fixed after last year’s construction. There is still come construction in process on Lake Drive. Owners will be informed when they check in if there will be disruptions, but the parking should be open this summer. Per Jonathan, we lost the parking on our side of the street along the road, but they have allowed some parking on the opposite side of the road – we could not convince the City to see if our way. The City previously said they would lower the speed limit. Per Scott, it is 30 back to the corner and beyond Breezy it is 45 mph. We requested a cross walk but the City denied that request. They are putting up a pedestrian crossing sign but not a crosswalk.

## Adjournment

Jonathan Landaw asked for a Motion to Adjourn the Annual Meeting.

**Motion:** Pat Thompson made a motion to adjourn the Annual Meeting  
**Second:** Bernie Imholte  
**Discussion:** N/A  
**Vote:** All in favor.  
**Result:** Motion Carried