

Board of Trustees

Monthly Meeting Minutes

11/12/14

Present: Trustees- Joe Waananen Gordon Jaaskelainen, John Karvonen

KML- Dan Harri General Manager

Liaison to BOC: Ray Chase

Guests: Don Piche

Finance Director: Ken Rowe

Meeting called to 3:20 (

- Approval of previous month's minutes. Motion to approve by John Karvonen, second by Gordy Jaaskelainen. All in favor.
- Approval of previous months Bills to be paid. Motion to approve by John Karvonen, second by Gordy Jaaskelainen. All in favor.
- Financial review by Ken Rowe
- Approval of financials for previous month as presented. Motion to approve by John Karvonen, second by Gordy Jaaskelainen. All in favor.
- KML BUSINESS REPORT: By Dan Harri
 - ✓ October explanations of expenses
 - ✓ May operations really hurt 2014 with extended snow only 9 business days
 - ✓ Closing procedure went well
 - ✓ Oktoberfest event feedback was all positive and profitable event
 - ✓ June 6th 2015 Blossom Festival discussed TBD
 - ✓ Closing final buffet feedback was all positive
 - ✓ 2015 business booked and review of events looks strong
 - ✓ CHS X/C Event feedback
 - ✓ Photos of cleaned KML property
 - ✓ All beer/wine returned for credit
 - ✓ Walk in freezer turned off for winter to save power
 - ✓ All street lights off for winter to save power
 - ✓ All inventories completed for 2015 audit
 - ✓ KML revenues highest on record. May was a HORRIBLE start with snow thru the 3ed week
KML set a record with only 5 real months of business

- ✓ KML phones forwarded to Dan cell all calls/emails answered 7 days a week
- ✓ Verizon Cell contract revised to single line (281-2608) and data package for reservations and communication during off season
- ✓ Phone is getting 3-7 calls a day on cell for KML and 5-8 emails daily
- September incentive review for approval: Motion to approve by John Karvonen, second by Gordy Jaaskelainen. All in favor.
 - ✓ 2015 Budget presented 12.11.14 needed for 11/13/14 Dan Ken will provide (met 11/17)
 - ✓ S.O.P. started for KML operation and reviewed monthly for approval
 - ✓ 2015 Plan to economize and make property more efficient and profitable. ***Detail below
 - ✓ 2015 R & M Plan and needs 12.11.14
 - ✓ 2015 KML price increases 12.11.14

2015 Revenue/Efficiency plan presented

Efficiencies: (Estimated savings over open period)

Discontinue continental breakfast buffet and serve coffee only.

.....7000.00

*We will up sell a full continental to functions and offer breakfast buffet to groups

Reduce the Keweenaw County Discount to 10% possibly altogether

.....6000.00

May Hours of operation reduce to Fri-Sun May 9th-29th (rooms will be 7 days a week)

..... 15,000.00

Reduce sponsorships to Keweenaw County only (select sponsorships will still be granted)

.....5000.00

Eliminate bar manager position and use bartenders only

..... 4000.00

Management brought back May 4th

.....3000.00

Total operational estimated savings projected for 2015.....40,000.00

Revenue

Estimated Increase in Banquet/ restaurant prices by 15%

.....75,000.00

Dance floor purchase and rental

.....4000.00

Chair Schamm rental for events

.....2000.00

Pet fee charged 20.00 per day

.....4000.00

Cake cutting charge 1.00 per person

.....2000.00

Blossom Festival June 6th tbd

.....8000.00

.....95, 000.00

Other Business:

Discussion on researching the KML title ownership with Keweenaw title and possibility of a land appropriation transfer. All agreed this would be a positive solution to the current deficit without costing the county any funds and KML eliminating the deficit from interest and depreciation. Keweenaw title will research current ownership and if KML land on balance sheet is correct.

Meeting adjourned 4:35