

Annual Meeting: Make Plans Now!

The annual meeting of the TIOA is set for October 17, 2015 at 1:00 PM at the Cable Community Center in Cable, WI. To entice members to attend and make a wonderful, and hopefully colorful, mid-fall weekend get-a-way, the board is offering a two-day special condo rental rate of only \$65 (for both days). We hope you'll join us for what will be a very interesting meeting with our new manager, Cole Rabska on hand to brief us on the many new changes, improvements and future plans that will make your condominium lodging experience even better. Board president, Mike Kocon along with other board members and Mr. Rabska will also discuss many important updates on issues we are dealing with as an organization moving forward. Our current state tax dilemma, changes to incentivize lodging and trading opportunities, facilities improvements will be among the agenda items covered. You will also vote to elect two board members.

Attending the meeting is a great way to hear firsthand from the folks managing your timeshare and will give you an opportunity to be able to ask questions about the current operations and future plans for our association.

We hope to see many of you there and refreshments will be served.

Candidates for Board of Director Positions

This year we have two (2) Board positions open for election. The three year terms of John Wesolek and Tom Hoff expiring.

Anyone interested in being considered for the open positions on the Board should contact Cari Hartman (715) 798-3999 #522 or ownerservice@cheqnet.net for a Board Candidate Application form.

Please reply by September 8 and return the completed form to Cari by September 14.

Telemark's New General Manager

On March 23rd, a TIOA Board interview committee interviewed 5 applicants for our General Manager vacancy.

The applicants had human resources, tourism, resort, or casino experience. Although the committee was impressed with several applicants, Cole Rabska scored #1 on 80% of the selection scorecards and #2 on the remainder.

Cole has a Bachelor's degree in Technology Education from UW-Stout and a diploma in Wood Working from Chippewa Valley Technical College in River Falls. Rabska taught Industrial Technology (shop) in both the Drummond and Ashland school districts while working summers as a fishing guide and performing or coordinating client lake homeowners' maintenance projects, dock installation, and snow removal with construction contractors.

He left the classroom for the lake full time, becoming Grand Pines Resort's Maintenance Manager in 2013. At Grand Pines he directed full time and seasonal staff and contractors in the general maintenance services to 60 resort and homeowner units.

His experience and skill in troubleshooting maintenance and repair, managing budgets, social media, supervising and developing staff while accommodating owners, guests and management, are already coming in handy in his work with the TIOA Staff, Owners, Guests and Board.

Please come to the Annual Meeting and meet Cole Rabska in person.

Contact Us

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Owner Service
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ownerservice@cheqnet.net



Current TIOA Board Members

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Don PankowskiSergeant at Arms
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Dick RoeberMember
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Use of your Week, Banking or Booking

“PLAN AHEAD” ... Trade Companies need about 120 days prior to use, in order to advertise, so someone else can use it in your place. So...be sure to make your request to me by the end of July.

For those Owners that like to Trade or Bank their week, I always need your request in writing; email is the best so I can immediately reply with results and to confirm receipt. Since we work with many trade companies, RCI, DAE, Platinum Interchange to name a few I need your specific trade company banking instructions.

What Trade Company you want me to bank your week into? *If it is RCI then please provide me with your Active Membership/Account number. (Many owners have more than one account with RCI and some memberships originated from another resort) How do you want me to Bank your week – if you own more than one unit, do you want me to bank as a two bedroom, three bedroom or multiple one bedrooms.

With RCI, I bank within your Color/Season, with DAE and Platinum Interchange they are “Color Blind” so it won’t make any difference when your week is banked, you just need to have a week in their bank before you use one of theirs.

All Trade Companies bring to you their unique qualities, so check out companies to see what works best for you. You may choose to use more than one company and that is fine, just remember you can not give to one company and then if you change your mind move your week to another. So check out your options.

With RCI they offer thousands of resorts world wide, and give you the opportunity to “bundle” your credits/points and extend the life or due date of your week. RCI requires a paid membership.

A couple of companies that do not require a paid membership are listed below.
Platinum Interchange, 800-854-2324 or www.platinuminterchange.com
Dial An Exchange, 800-468-1799 or www.daelive.com

Don’t forget if you need extra credits/points with RCI be sure to call me. You can purchase a “surplus” week of mine for \$99.00 plus tax (\$108.41) based on availability which I will bank for you in RCI.

Owner Benefits

We offer a special package deal just for owners - \$149.00 plus tax (\$163.16) for up to 3 nights or \$199.00 plus tax (\$217.91) for up to 7 nights for any unit based on availability 21 days in advance or less. There is no limit you can purchase as many as you like. These weeks are for Telemark stays only.

- Per your Board of Directors: we will be offering a Bonus Week again for 2016 for \$225.00 same as 2015. This week is equal to what you own and only available to owners that have paid their 2016 maintenance prior to December 31, 2015.
- This week used for Telemark Only, not available for banking.

As always, if you have any questions please do not hesitate to contact me.
Thank you and enjoy your day.

*Cari Hartman – Coordinator Owner Service/Reservations
715-798-3999 ext. # 522 or ownerservice@cheqnet.net*

Remember when.....TIOA Owners Work Weekends?

I have been tasked with organizing a work weekend next Spring, where our owners would be given a special rate for a weekend stay and work with each other doing chores around the Condos and at the Pointe. It's a great time to meet other owners and see firsthand your Condo Compounds. First I need to determine if there is any interest from our owners for this get together. If you are interested, please contact me at dpankowski@charter.net.

Send me an email with your contact info and once a date is set you will be notified with the details.

TIOA Board Member – Don Pankowski

Water Sports Updates and Changes

I wanted to give an update regarding Telemark Pointe upgrades and a policy change to the Pontoon rental program.

The following upgrades have been completed this year at Telemark Pointe. These are available for all of our owners from the Christiana Villas or Telemark Pointe.

1) A general use dock has been added for guests. Everyone is welcome to use this dock along with the pontoon dock's south side whether for fishing, sun bathing, or tying up a boat.

2) A canoe/kayak dock has been added for all guests. This dock was purposely put low to the water to make it easier for guests using canoes and kayaks to get in and out of their water craft. The dock is located in shallow water so it is not recommended to attempt to place a fishing/ski boat in that location.

3) Another boat lifting station has been installed for the rental fishing boats to ensure that they don't fill with rain water between uses.

4) A new "sunset bench" has been installed down by the docks. It provides a great view of the lake and sunsets in the evenings.

5) Don't forget about the fire pits located by the docks and swimming area. Enjoy a campfire during the day/evening when swimming or relaxing by the water. Please check the fire danger and recommendations by the WI DNR, and do not leave the fire unattended.

This brings us to a total of: 6 docks, 2 fire pits, 1 sitting bench and multiple watercraft for all guests/owners to

Change in Rental Watercraft Policy!

Starting in 2016 all watercraft will only be available to rent by the FULL day. Pontoons, fishing boats, and canoes are available for rent by the full day and pontoons may only be reserved for 2 consecutive days by each owner and it is based upon availability on a "first come – first serve" basis.

List of watercraft available to rent:

- 28' Landau Pontoon
- 22' Sylvan Pontoon
- 14' Fishing boat w/ 6hp motor (2 total)
- Canoe(s) – (2 total)

Cole Rabska, General Manager

Historic Telemark Tax Decisions, Issues and Current Tactics

In 1999, the first year that the TIOA Board of Directors had to make tax decisions, the Board elected not to file income tax returns. Six Hats was our management team and their rationale appears to have been that as the TIOA was losing money every year there was no income, and the fine for not filing was only \$30.00, why spend the money on an accountant?

Six Hats terminated their contract in July of 2001. The 2001 financial accounting was taken over by Anderson, Hager, & Moe, a Hayward CPA firm. The extra cost of tax preparation would have been trifling, but it appears that with overwhelming debt, a sudden change in management, and the burden of an owner assessment, the Board elected not to file income tax returns.

Darrell Buchmann came on board as an "Accounting Advisor" to Telemark in March of 2002 and became the Controller later that year. He later assumed the General Manager position and became General Manager/Controller.

Apparently Mr. Buchmann's advice to the Board continued to be: "save the Accountant fees, we have no income, don't file any income tax returns." This continued to be the norm.

In 2006 one of the Board member's sons, a Wisconsin CPA, apparently agreed with Mr. Buchmann.

In October, 2010 Gary Crandall stepped down, and I succeeded him as Board President. When as early as July of 2011, I asked about filing taxes. Mr. Buchmann told the Board and me every time that neither he, nor his predecessors had ever filed a return as we have never turned a profit in our 15 year existence. That we were only incurring a minor fine and that carrying forward the losses of Lodge ownership would continue to offset any Association income. The Board continued to follow the 1999 Board decision.

In 2013 I asked my personal accountant, Peggy Ahola of Ahola/Mack and Associates if this was a sound strategy. She said that it most assuredly wasn't and subsequently the Board, in spite of Mr. Buchmann's advice, decided to engage Ahola/Mack to file our tax returns from 1999 to 2013 as soon

as possible. Ahola/Mack also began to take over TIOA Accounts Payable work. The taxes for years 1999-2013 were filed second quarter 2014 at a total expense of \$3,000.

TIOA first heard back from the Wisconsin Department of Revenue when Darrell Buchmann received the Notices of Amount Due for all returns approximately December 15, 2014.

They were dated December 8, 2014 and gave us 60 days to appeal taxes and penalties owing of \$17,940 for 2010, \$14,577 for 2007, and \$232,259 for 2001. We also owed fees of \$30-\$150 for non-filing for the other 12 years.

The reason given for the taxes owed and the huge fees they were accruing was that the TIOA should have filed a specific form in 2001 that would have allowed us to carry forward our losses. Because the TIOA didn't file the form, the right to carry over its losses expired in 2005. Because we didn't file until 2014 we were 9 years too late.

The 2001 and 2007 Owner Assessments were treated as income and deed back moneys collected in 2010 were taxed as income as well.

As noted, the TIOA had until February 6 to appeal the DOR findings. Although he exchanged emails with Ahola/Mack and was advised to appeal, Mr. Buchmann never appealed or shared the tax news with the Board or me until our quarterly meeting February 14. He never mentioned the appeal deadline in the meeting.

Mr. Buchmann called Ruder – Ware Tax attorneys Monday, February 16 and left a message exploring contracting for their services in an appeal.

I exchanged emails with Ahola/Mack Tuesday, February 17 and was given the notices of Taxes due.

You can imagine my horror to learn that because our struggling Association had assessed our members in 2001 and because the Board at the time chose not to file and account for our losses, we were suddenly a "profitable" enterprise being taxed and penalized with interest applied. Suddenly we had tax, interest and penalties of over \$232,000 for 2001 because our ongoing loss was not being carried forward.

When I began reading the notices I was further dismayed to learn that we had 60 days to appeal and that the appeal period had expired over a week before our Board meeting.

I couldn't imagine why our GM/Controller chose to hide the news and called the Wisconsin Department of Revenue to begin the appeal process and was advised that we must appeal online. I immediately sent an appeal email to the DOR address asking for an extension of the appeal period while briefly explaining who we are and how we got to this point. I called Darrell Buchmann to do so as well. He sent them a brief note asking for an extension by email and fax.

The Board of Directors held a conference call the evening of Wednesday, February 18 to discuss the situation and devise a plan of further action. Those in attendance: Susan Wiik, John Wesolek, Don Pankowski, Fred Boetcher, and I with Tom Hoff's proxy, voted unanimously to dismiss Darrell Buchmann for his failure to share the tax news with the Board immediately and for neglecting to file an appeal at his earliest opportunity.

As he had left Telemark that day and would not return until after the Birkie, it was agreed that John Wesolek and I would meet him when he arrived at the office the morning of Monday, February 23 and that I would serve as the interim General Manager until the Board could interview candidates and select a new GM.

On February 19 I emailed Telemark Interval Owners Association (TIOA) tax returns for years 2000 - 2012 to Mark Ehlers, partner in the Ashland CPA firm of Ehlers/ Pierce.

On February 26, Scott Clark emailed Ehlers the Telemark Interval Owners Association (TIOA) Power of Attorney and hand delivered the Articles of Incorporation, Declarations, Bylaws, Plats and General information from the Developer's Disclosure Statements from the presale information given to the Timeshare purchasers before their purchase from all 3 Developments.

On March 4th, Amy Wesner, Attorney with Ruder Ware LLSC agreed to provide the legal services necessary to represent Telemark with respect to our Wisconsin corporation franchise taxes for the period of January 1, 1999-December

31, 2012. She asked that TIOA sign an Authorization for Legal Services and to pay a retainer of \$15,000 to cover her anticipated fees.

On March 6 Mark Ehlers advised me that he was reasonably optimistic that there was an accounting answer to the issue and that the TIOA should put Ruder Ware on hold at least until we get a response from the DOR. I shared that opinion with Ms. Wesner who agreed to wait until the accountants had their chance.

July 31 TIOA received a letter dated July 23 from the DOR denying our appeal for an extension of the appeal deadline.

I sent the notice to Mark Ehlers by email that same day.

He responded to me August 4 saying that he had retired and had sent my note to his former partner Ryan Pierce.

On August 6th, we received notice of Tax Due from the Wisconsin DOR dated July 28, saying that we owed taxes and penalties for 2001 of \$255,774, 2007 of \$16,292 and that 2010 taxes and penalties had been reduced to only a failure to file fine and penalty of \$185.00.

I passed the notices on to Ehlers and Pierce.

Mr. Pierce responded that he didn't feel qualified to handle our appeal suggesting that we get someone else.

The Board is very disappointed as we'd hoped there was an accounting effort as offered by Ehlers in March that we could pursue. Had we received this answer in March, we would may have saved over \$15,000 in additional interest owed the DOR by engaging Ruder-Ware and beginning a legal appeal.

I have been speaking with Ms. Wesner, and on conference calls with her and DOR representatives regarding our next actions.

TIOA Board of Directors has Errors and Omissions Insurance that applies to TIOA management as well. The Board asked TIOA Counsel, Scott Clark to review our policy and offer an opinion as to our right to file a claim. Unfortunately the insurance only covers claims by third parties, not the TIOA or its members.

To sum things up:

1) The Board made a mistake in 1999 that had a disastrous effect in 2001 and 2007. It resulted in 2001 taxes owed of \$61,822 that has grown to \$255,773 with the addition of interest, fees and penalties. Taxes of \$9,289 for 2007 have grown to \$16,292 with the addition of interest, fees and penalties.

2) Darrell Buchmann failed to notify the current Board of the Wisconsin Department of Revenue Tax Notices.

3) Darrell Buchmann failed to file an appeal with the DOR that may have preserved the TIOA's chance to appeal to the DOR in its normal channels.

4) The TIOA Board of Directors has dismissed Darrell Buchmann and turned its Accounting function over to Ahola/Mack CPA under the oversight of TIOA Treasurer Tom Hoff. The Board hired a new General Manager, Cole Rabska, who started April 10.

5) The TIOA is working with Attorney Amy Wesner of the Wausau WI law firm of Ruder Ware to assess the practicality of contracting their services for a legal appeal.

6) Failing relief through a legal appeal/suit, the Board is assessing means of paying the taxes due, either by:

- a) Using cash reserves,
- b) DOR payment plan,
- c) Owner assessment, or
- d) Attaining funds by mortgaging assets.

None of this is good news and I'm very sorry to be the bearer of bad tidings.

If we are successful in dodging the \$274,000 "bullet" we will still have incurred legal and accounting expenses 10 times

what the correct action would have incurred.

The only "bright side" spin that I can put on this is that most of us remember Gary Crandall's "Between a Rock and a Hard Place" descriptions of our ongoing support of the Lodge.

Resort Support was an annual burden to each of us of over \$400.

Should the TIOA be forced to pay the taxes using a combination of tax reserves and Owner Assessment:

- The Assessment would be a one-time event as opposed to the ongoing Lodge Support burden.
- There would be no increase in maintenance fees.
- The assessment would not exceed \$250 - \$350 per unit depending on possible use of reserves.

If you remember the dues we paid in 2009 which included "Lodge Support", adding a one-time assessment of as much as \$350.00 will still leave every one of us paying less than we did in 2002 through 2009.

Essentially using the Assessment to "purchase" 2 Tele-mark stays that normally cost \$217 including taxes may soften the blow. Each owner would be given the use of two (2) additional weeks from our inventory to be used over the next three (3) years in exchange for their help.

I'm looking forward to your calls and emails as well as the opportunity to talk with you at the Annual Meeting in October.

Sincerely,
Mike Kocon

The Lodge's Latest Suitor Has Dropped Out

HK Hospitality has terminated its Purchase Agreement with Mount Telemark Partners.

As anyone who has driven by the Lodge lately knows, the building's future looks bleaker every day.

The Board of Directors urges those who still hold title to a Lodge suit to exchange it for another unit.

You can upsize to a Pointe unit and have the same or better trading power or downsize to the 1600 building for less fees and comparable trading power.

For those who want only one bedroom, you can save fees by downsizing to the 100, 200, 800, 1100 or 1700 buildings. All title work will be paid for by the TIOA.

Telemark Vacation Condominiums, a “New” name and Logo

The Board of Directors selected a new logo and name for Telemark Condos earlier this year.

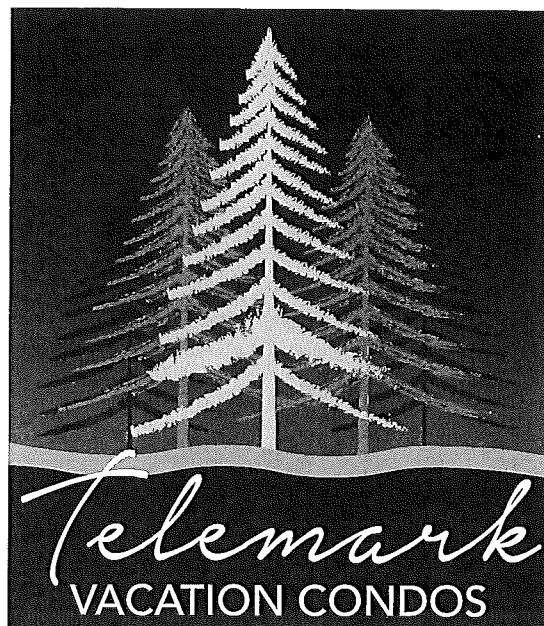
Too many people tie the TIOA identity to that of the Lodge. We want the public to know that we are alive and well, doing just fine on our own.

Because the Lodge is closed, we have seen a significant increase in vacation rentals. In order that the public know that we are available to rent, and to differentiate us from the residential Valhalla condominiums, we added “Vacation” to our name.

Surprisingly enough however, in searching through documents in our storage area, Tom Hoff found 1988 Condo Documents for Telemark Vacation Condominiums. We weren’t so “cutting edge” after all.

The logo is new however.

You’ll note the majestic pines, the water, the green grass and the mountain. Each of us can place ourselves in the picture doing what it is we do in the natural beauty that surrounds Telemark.



Owner Billing Statements

Another discovery the Board has made after the departure of our former general manager, is the inconsistency in billing practices and procedures for the collection of owner maintenance fees. Billing statements were not being sent timely and consistently, and interest was not being applied to delinquent accounts in accordance with Board-approved policy. Since the payment of owner maintenance fees is the lifeblood of our Association, it is important that consistent and fair collection efforts are followed so that each member is treated fairly and that the Association can continue to provide the services its members expect.

After much contemplation and discussion with our accountants at Ahola/Mack, we have arrived at the following plan to correct these inconsistencies. Ahola/Mack has created new statements for all accounts that have a remaining balance. These statements will show accurate accrued interest at 10% starting at 15 days after the invoices were created. The interest generated may vary from any statement that members may have received previously, but is consistent with what their original bill said we would charge for finance charges.

Since this is how the original bills were created in the system, there is no way to change the interest start date without touching every single invoice.

This is not how the former general manager applied interest charges even though he created invoices that said he would. The staff at Ahola/Mack cannot recreate the methodology used, assuming there was any, for the finance charges previously computed. Bottom line is, Ahola/Mack will create statements now and each month thereafter using the original terms for any active invoice that has not been paid to date. Looking ahead, the Association will combine the maintenance fee and property tax billing into one mailing saving time, paper, and postage. These will be itemized on the bill so you can see what the current charges are. We are also investigating the possibility of on-line payments to make it more convenient for members to make payments.

All of these efforts are being made to make the billing and collection process fair, equitable, and reasonable for all members.

Condo WIFI Upgrade

During your next stay at Telemark you should experience enhanced WIFI performance. The initial WIFI system installed in the Villas consisted of 2 – 10Mb wireless routers in each building. During weekends when a higher percentage of units were occupied WIFI performance was not what we would like our guests and owners to experience. Because each router serves 4 units, it's possible for up to 20 devices to be connected and active at the same time on each individual router. Those routers were recently upgraded to 30Mb of throughput at a cost of \$10 per month per router. That 30Mb is then shared between the users attached to each router.

The service speed at Telemark Point is 10Mb and has not been upgraded however the wireless routers at the Point have been changed from a model used mostly for home installa-

tions to one that is commercial quality. The reason to change the routers at the point is to prevent lockups that require a manual reboot resulting in outages until the reboot takes place. Each router at the Point only serves 2 units so the speed was not upgraded at this time pending further feedback from guests and owners. However the service quality should be improved because of the router upgrade.

Please drop me an Email with any observations, comments, or complaints concerning our WIFI network and I will investigate them.

Send the Email to boetchera@prodigy.net with "WIFI Issue" in the subject line.

Thanks!

Fred Boetcher

First
Class

CHANGE SERVICE REQUESTED

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