



EAGLE BEND YACHT HARBOR &
BOAT SLIP OWNERS ASSOCIATION

ANNUAL MEETING

Saturday, June 18th, 2011 at 10:00 AM

Eagle Bend Yacht Harbor Clubhouse – 371 Eagle Bend Drive

- I. **Call to Order and Establish a Quorum** – A quorum consists of 48 slips. A quorum was established with 37 slips represented in person and 40 slips represented by proxy. The meeting was called to order at 10:17AM.
- II. **Board Member Introductions** – Board Members present in person were President, Bernie Slogotki, Vice-President, Bob Livesay, Secretary/Treasurer, Ken Taylor and Board Members, Lane Ross and Tom Steffes. Board Members, Bob Smith and Roy Hollandsworth were unable to attend. The Board operates with a number of Committees, those representatives were introduced. Management Advisory Committee, Bernie Slogotski and Ken Taylor; Weed Abatement Committee, Bob Smith and Lane Ross; Clubhouse Rental Committee, Bob Livesay; Maintenance Committee, Bob Livesay and Lane Ross.
- III. **Management Introductions** – President, Bernie Slogotski introduced members of JES Management, Jessica Glazier, Sharla Browning and Jennifer Anderson who was unable to attend. Marina staff was also introduced, Cole Browning, Jacob Parmenter and Jade Botic who was unable to attend. Anita Bruer from Chrysler and Gordon attended to count ballots.
- IV. **Approval of Minutes from June 19th, 2010 Annual Meeting** – Upon review of the minutes, Bill Bailey motioned to approve the minutes as written. The motion was seconded by Sandy Klingler. The motion carried with all in favor and none opposed.
- V. **President's Overview** – Bernie Slogotski presented the President's Overview. Bernie thanked the Board for their efforts over the past year. The Board had three Board Meetings over the past year which were supplemented by e-mail communication. The minutes from those meetings are available on the website. Bernie thanked Bob Smith, who has decided not to re-run, for his long term role and dedication serving as President and a Board Member. Bernie thanked JES Management for their diligent efforts and management services. The Board implemented a deferred maintenance program throughout the offseason of 2009 and 2010 which was carried out by Cole Browning. The Board budgeted approximately \$10,000.00 to attend to these maintenance items. The Board also acted on installing window coverings in the clubhouse as per the decision made at the 2010 annual meeting. During the past year the Board addressed ongoing aquatic weed issues, security and safety measures, fuel management control and the renewal of the JES Management contract. Cole executed proper line tightness testing over a 12 month basis to bring the Association into full compliance with the MT DEQ. The Board completed a review and inspection of dock floats. There was some concern that dock floats may be taking on water. Upon inspection, some of the floats are smaller than others and they seem to be performing as expected. The Board adopted a revised clubhouse rental policy which will be reviewed in detail under the Clubhouse Rental Committee. As per the motion made at

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the 2010 annual meeting, the Board Member nomination process was formalized and a confidential voting procedure was put into place. The Board recently formalized controlled bank accounts for the capital reserve fund and property tax fund. The Board also implemented a mid-year financial review process. The Maintenance Committee was established to streamline and address maintenance issues expediently. The additional traction plates were installed on the boat launch this spring. Bernie opened the floor for questions. Dennis McDowell asked what the criteria is for using reserve funds. Bernie indicated that a formal process has not been established but Board approval would be required. It is on the upcoming year's agenda to conduct a reserve study and establish what the upcoming reserve expenses will be. Dennis McDowell asked if the life expectancy of the dam and roof have been established. Bernie indicated that those items would be addressed in the upcoming reserve study. Geoff Bayliss thanked the Board for looking into the mosquito issue. He indicated that coincidentally there were no mosquitoes last year and he anticipated that they will be back this year. Bernie confirmed that Cole would continue to look into this.

VI. Managers Report – Sharla Browning presented the Managers Report. The additional traction plates were installed on the boat launch this spring. The new wireless network equipment was installed in 2010 and it has been reported that it is working very well. Slip owners and renters have been excellent about turning in their boat insurance, info sheets and security stickers. There are still storage lockers available for rent located in the back of the clubhouse. Sharla indicated that the fee for each locker is \$60.00 per season and to contact JES Management if you are interested. JES Management is excited to have Cole Browning and Jade Bosis returning to the marina. Jacob Parmenter is a new team member this year and we expect him to do an excellent job. Upcoming social events are scheduled for Saturday, August 6th and Saturday, August 27th, details will be sent at a later date. JES Management has gathered all but 24 slip owner e-mail addresses. With the ability to e-mail almost all of the slip owners, we anticipate a substantial savings to the Association in regards to postage and office supplies. Cole Browning attended a course at Montana Fish, Wildlife and Parks to train him in identifying aquatic invasive species and is now a level 1 inspector.

VII. Treasurer's Report – Sharla Browning presented the financials reports. The Association's total account balances were broken down as follows: Operating Checking - \$2,000.00; Operating Savings - \$43,645.52; Capital Reserve Savings - \$90,202.35; Property Tax Savings - \$3,748.40. Geoff Bayliss requested that the Board send the financials out ahead of the meeting. Bernie explained that the financials are available online. A slip owner asked what the Board would consider bad debt and how much bad debt was written off in 2010. Sharla explained that bad debt would be any debt that is unable to be collected due to bankruptcy or foreclosure. Later, Ken Taylor indicated that the amount of bad debt written off in 2010 was \$5,337.22.

Ken Taylor presented the Treasurer's Report. Recapping fiscal 2010 Eagle Bend Yacht Harbor began the year with a 2009 budget surplus of \$27,454.97. Recognizing the need to reserve for unanticipated repair and maintenance cost, \$20,000.00 was transferred to the newly established Operating Reserve Fund. The \$7,454.97 balance of the 2009 surplus remained in the Operating fund. The following is a brief summary of some of the larger expenditures for 2010.

\$19,070.17 from the \$20,000.00 Operating Reserve Fund was expended for the following improvements and repair/maintenance items to the marina complex. Many of the cost incurred were onetime expenditures for 2010; An approved \$6,992.00 was for the repair of the boat launch ramp; An approved purchase of \$1,199.99 was for point of use software to more accurately track marina sales and improve productivity; \$1,229.00 was approved for improvements to our wireless internet network; Other charges were for power washing the docks, installation of a log and chain gate at the launch facility and new replacement signage as needed; The Gas Shack Interior was remodeled. There was an additional "special project charge" of \$1,356.33 for these improvements. Additional material costs were also associated with this project; Our President Bernie Slogotski has covered the membership approved expense for shades in the clubhouse.

Preseason 2010, it was determined that many of the dock boxes exceeded their useful life and were beyond reasonable repair. In consultation with management the Management Committee (President & Treasurer) approved the purchase of replacement parts and new dock boxes to finalize completion of all dock box repairs. The approximate cost of replacement boxes, parts and materials was \$9,161.00. This project has been ongoing for the past four years. To date, 95% of the replacement and repairs have been completed. For 2011, to reduce the overall dock attendant expenditures, the Gas Shack hours of operation have been adjusted. Total Dock Attendant expense, starting April 1st and ending October 31st should not exceed \$34,000.00. In an uncertain 2010 economic climate it was anticipated that Eagle Bend Yacht Harbor might be required to recognize cumulative losses of approximately \$7,500.00. Actual losses from non-payment of dues were \$6,901.71. Thus far in 2011 losses have yet to be determined, but should be significantly reduced. 2010 retail sales purchases were \$8,467.85. Total retail sales income was \$3571.23. In 2011 a reduction in purchases should alleviate the imbalance. Due to unseasonably mild weather during the 2010 boating season and continuing economic pressures, fuel sales were down \$22,157.00. Actual sales finished at \$72,785.00. For the 2011 budget, projected sales were readjusted to more accurately reflect the current economic conditions.

For 2011 it was recommended that aquatic weed maintenance be more limited in scope and cost. \$10,000.00 has been budgeted. Included in the 2011 budget was a board approved off season allocation of \$10,000.00 for the primary purpose of repairs and maintenance. The following are some of the projects included: Repairs to all water leaks on the docks; Completion of any remaining dock box repairs Paint and caulk all exterior surfaces of the pump house located at the dam; Interior paint and caulk inside the clubhouse and bathhouse as needed; Adding gravel at the at the launch ramp as needed; Maintenance and monitoring of all facility systems (Required Gasoline system monitoring & monitoring marina water levels; An additional \$5000.00 was allocated for repairs and maintenance for the balance of 2011, for a total expenditure of \$15,000.00; The actual off season expenditure for 2011 came in below budget at \$7,247.61.

For fiscal 2011, Eagle Bend Yacht Harbor did not increase slip owner dues. It should be recognized there has not been a rate increase in dues for the past four years. Changes have been made to insure that dues/fees specifically collected for contribution to the Capital Reserve Fund only be utilized for longer term capital improvements on an emergency basis, approved by the board. Changes in budget procedures have been put in place to more closely monitor revenues and expenses. A mid-year budget review by

the board has been implemented. Thus far in 2011, management is currently operating within the 2011 budget and is not anticipating any significant budgetary cost overruns.

VIII. Committee Reports

- a. Management Advisory Committee** – Bernie Slogotski described the implementation of this committee and background information. The Board determined that the daily management of a marina is a more complex operation in comparison to the average Homeowners Association. When problems or issues arise that are not standard, the Committee acts outside the executive of the Board to interface between the management company, Board and slip owners. Bernie encouraged slip owners to contact a member of the Committee if they have any issues they would like addressed. This concept has proven to work well on several occasions and the purpose continues to be well warranted.
- b. Weed Committee** – This committee was formed to establish a program of weed management at the marina. The weeds in the main waterways and approximately 30 heavily infested boat slips were harvested in 2010. The abatement program for 2011 has been scaled back due to the work completed in 2010. The Board will continue to look at new and improved ways to treat our problems in the future. Lane Ross indicated that Fish Wildlife and Parks is experimenting with new chemical rules.
- c. Clubhouse Rental Committee** – Bernie Slogotski indicated that the Board approved a revised clubhouse rental policy allowing slip owners to reserve, on a limited basis, the clubhouse during the boating season. Sandy Klingler asked why the Board has the right to change the policy since it is discussed every year at the Annual Meeting. Bernie explained that the decision was based on verbal slip owner input and multiple surveys. Bob Livesay indicated that several slip owners have come to him and requested that the Board review the policy. Bob Livesay stated that he researched all past policies and official action on the clubhouse policy. Dean Klingler indicated that limiting the use of the clubhouse to slip owners for reservations might be illegal. Another slip owner indicated that the policy was discussed at the annual meeting last year and the Board does not have the right to change the policy without approval from the entire membership. Bernie Slogotski requested that everyone listen to the rest of Bob Livesay's presentation. Gerlinde Oliver explained that the new policy would take away the rights of slip owners because they cannot shower if the clubhouse is reserved. Bob Livesay indicated that the Committee considered this before writing the policy. He explained that when the clubhouse is reserved slip owners can still access their lockers and the showers and bathrooms in the bath house. Gerlinde commented that in the past, the bath house could not be used because of a toilet issue. Bob Livesay let her know that the toilet issue was addressed before the policy was approved. Bob Livesay encouraged everyone to read the new policy which was passed out. Dean Klingler indicated that in the past, reservations could be made for events but the clubhouse had to remain open to other slip owners during the event. A slip owner commented that there is too much liability allowing slip owners to have events at the clubhouse. Bob Livesay let him know that JES Management consulted the Association's insurance company and the current policy covers any liability. Marcia Van Wye suggested that the issue be voted on since a quorum was present at the meeting. Bob Ivy

motioned to vote on the clubhouse policy as presented. The motion was seconded by Bill Busic. A lengthy discussion continued. Bob Ivy withdrew his motion with a request that the Board sends ballots to all slip owners showing the dialogue from the meeting. Bill Busic withdrew his second. Jayne McManus motioned that the Board consult legal counsel to address the legality of the policy and that the policy will be sent to the full membership for a vote. The motion was seconded and with a majority show of hands approved by the members in attendance. The Board agreed that concerns have been raised that the Board may not have thoroughly researched. The Board will consult with legal counsel regarding the matter and if the legal opinion supports the position that the association can legally rent the clubhouse, a vote on the issue will be sent to the full membership for consideration. Gerlinde Oliver asked if the clubhouse policy was approved unanimously by the Board. Bob Livesay confirmed that it was unanimously approved at the May 9th, 2011 Board Meeting.

- d. Maintenance Committee** – Gerlinde Oliver obtained a copy of the profit and loss budget vs. actual for 2010. She noticed that landscape maintenance was \$7,225.00, which she believed is excessive. Bernie suggested that Gerlinde address her concerns with the Maintenance Committee. The reason the Committee was formed is to any address maintenance concerns. Geoff Bayliss indicated that he had a theft on his boat last year because the gate was easily kicked in. Bob Livesay indicated that Cole Browning is currently obtaining bids to rebuild and secure the dock gates. Geoff Bayliss also suggested flower pots and a flag. Bernie suggested that Geoff address his concerns with the Maintenance Committee. Lane Ross commented that safety is the Committee’s first priority and that any safety concerns will be acted upon immediately.

IX. New Business

- a. Fish, Wildlife & Parks** – Mickey Sogard made arrangements for Tony Cooper from Fish Wildlife and Parks to speak. Tony Cooper gave a PowerPoint presentation on the dangers of zebra and quagga mussels. Bernie Slogotski asked what the Association can do prevent infestation of Flathead Lake. Tony suggested that slip owners cooperate and allow them to inspect their boats if needed. Lane Ross commented that the mussels are a serious threat and many government agencies are focusing on this issue.
- b.** Howard Hicks suggested that those who pay with cash receive a discount on fuel. Bernie Slogotski stated that the Board would consider his suggestion.
- c.** Tom Steffes asked why slip owners are paying such a high percentage on fuel. Bernie Slogotski indicated that the fuel pricing is a Board issue and should be further researched by the Board. Bob Livesay commented that the fuel pricing is based on all of the expenses related to dispensing fuel and that the Board should discuss the pricing.
- d.** Keith Palmquest suggested that slip owners receive a discount on fuel. There should be privileges to being a member. Bob Ivy pointed out that any income lost on fuel would be reflected with an increase of dues. The Board will consider his suggestion.

e. Tom steffes asked what will happen to the ballots after the meeting. Bernie explained that Chrysler & Gordon will retain the ballots and destroy them after time if there are no issues.

X. Election of Board of Directors – There were 3 positions of 2 year terms to fill. Each nominee that was present at the meeting introduced themselves and there were no further questions. Ballots were cast. The newly elected Board Members for two year terms were Lane Ross, Randell Seyfert and Roy Hollandsworth.

XI. Adjourn – There being no further business the meeting was adjourned at 12:43 PM.

Submitted by:

Accepted by:

Sharla Browning
Property Manager
JES Management Inc

Ken Taylor
Secretary/Treasurer
Eagle Bend Yacht Harbor BSOA Board