



EAGLE BEND YACHT HARBOR  
& BOAT SLIP OWNERS ASSOCIATION

**EAGLE BEND YACHT HARBOR BOARD MEETING**  
Thursday, July 28<sup>th</sup>, 2011 at 2:00 PM  
JES Management Conference Room – 857 Grand Avenue

- I. **Call Meeting to Order and Establish a Quorum** – The meeting was called to order at 1:59 PM. Board Members in attendance were President, Bernie Slogotski, Vice-President, Bob Livesay, Secretary/Treasurer, Ken Taylor and Board Members, Roy Hollandsworth, Tom Steffes, Lane Ross and Randell Seyfert. Sharla Browning from JES Management was also in attendance.
- II. **Review & Approve Agenda Items** – Upon motion and second the Board unanimously approved the agenda as written.
- III. **Approve Minutes from May 9<sup>th</sup>, 2011 Board Meeting** – Upon motion and second the minutes were unanimously approved as written.
- IV. **Approve Minutes from June 18<sup>th</sup>, 2011 Annual Meeting** – Upon motion and second the minutes were unanimously approved as written.
- V. **Treasurer's Report** – Sharla Browning presented the Treasurer's Report. The Association's total account balances were broken down as follows: Operating Checking - \$2,000.00; Operating Savings - \$77,280.28; Capital Reserve Savings - \$90,228.30; Property Tax Savings - \$3,748.71. Tom requested that JES Management obtain additional bids next year for boat and trailer stickers. Randell asked how the Board knows that they are on track with the budget. Sharla indicated that JES Management sends monthly financial reports to the Board and the Board implemented a mid-year financial review.
  - a. **Mid-Year Financial Review** – Sharla Browning presented the mid-year financial review. Ken indicated that it appears that everything is on track except for fuel sales income projections. Ken thought management's sales projections might be optimistic but possible dependant on good weather. Tom asked what the credit card processing rates and fees are. Sharla indicated that she would look the information up and email it to the Board. Ken commented that the off season projections do not include any off season maintenance for the end of 2011. Ken also noted that we came in below budget for the off season maintenance expense. He indicated that the Board may need to anticipate fuel monitoring expense over the winter. Tom Steffes indicated that there is another fuel monitoring system available, making manual monitoring unnecessary. The Board requested that JES Management get clarification on the liabilities column on the payroll projection worksheet and e-mail the Board. Tom commented that his insurance costs him less and he has more liability that JES Management. Sharla indicated that she would check into the insurance costs with Jessica Glazier.
- VI. **Managers Report** – Sharla Browning presented the Manager's Report. Cole Browning conferenced into the meeting for the Manager's Report.
  - a. **DEQ Violations & Corrective Action Plan Update** – The Board reviewed a proposal from Northwest Fuel Systems to add corrosion protection to the vent stack piping. This is the only item to complete in order to be completely complaint with

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the DEQ. This must be completed by March 2013. Tom indicated that the bid seems excessive and Cole should be able to do the work. Cole indicated that he spoke with Redge Meierhenry, DEQ UST Section Supervisor, who indicated that the work must be performed by a Montana state licensed installer. Tom stated that he called the DEQ and they told him that they would not require a licensed installer.

- b. **Keycard Readers** – Recently, certain keycards were erased from four keycard readers for an unknown reason. Cole reprogrammed the readers and believes them to be working properly. Signs were posted at each reader letting owners know to contact Cole if their keycard is not working. Tom indicated that the ground faults are bad on most of the readers. Tom also indicated that there is an extra reader in case one goes bad. Tom indicated that each reader needs a backup when the power shorts out. Bernie asked Cole to investigate the backup system and review with the Maintenance Committee. Tom indicated that the backup would also filter the power supply.
- c. **Staff** - Lane asked what happened to the other employee. Sharla indicated that Jacob Parmenter quit and the position has been filled.

### COMMITTEE REPORTS

- VII. **Maintenance Committee** – The clubhouse door is in need of repair. Ken indicated that he will assist Cole in fixing the door. Cole replaced leaking hose bibs and dock box utility covers. The keycard reader issue has been resolved. Cole replaced the GFI on the B Dock keycard reader. Cole painted the pump house to match the other buildings. Flo Rite Plumbing repaired a froze broke line by the boat launch. Northwest Fuel Systems installed a VR10 computer on the fuel pump which allows fuel prices to be set higher. Lane indicated that he had several issues to address. He stated that the garbages are always full on Saturday nights and need to be taken out once or twice a day. Lane indicated that he has been watching and the only dock attendant that takes out the garbage is Jade Busic. He also indicated that the condition of the women’s bathroom upset his wife. He stated that the bathrooms are not being cleaned during the busiest time on Saturday nights. He suggested that the bathrooms be cleaned two or three times a day when it is busy. He indicated that another issue is that the toilets have not flushed properly since he has been a slip owner. He recommended that the Board consider replacing all of the toilets. He also stated that there is a urinal that runs constantly and if water got on the floor it would become a safety issue. He recommended that the urinal be checked four times a day. Tom Steffes indicated that the lawn does not look good and something different should be done next year. The Board agreed. Lane indicated that these issues should be addressed by the dock attendants but he would like the Boards support before he talks to Cole. Randell requested a copy of Cole’s job description. Tom indicated that since AWAM will not be cutting the weeds this year, the toilets could be replaced using those budgeted funds. Lane also commented that there are heavy weeds in certain slips and the dock attendants need to rake them. Lane also indicated that the screws are missing on some of the dock boards and this is a tripping hazard. Ken commented that Gerlinde Oliver sent him an e-mail stating that the dock attendants should be taking care of the lawn maintenance. Ken indicated that this could be done under the current dock attendant salary. Bernie indicated that this is not within the current list of duties so a revision

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would be needed to make this change. Ken indicated that he was disappointed that we were paying TLC to kill knapweed. Ken further commented that based on his experience with removing knapweed, TLC's weed removal charges appear to be excessive. Sharla commented that the Total Lawn Care contract included the treatment for noxious weeds and was approved by the Board. Bob commented that he would be hesitant for the marina to purchase the equipment. Bob also suggested that if there is a problem with Total Lawn Care it should be addressed. Lane recommended that Cole contact Total Lawn Care and arrange a meeting with Cole, Lane and Bob to set out their expectations.

**VIII. Clubhouse Rental Policy Committee** – The Board reviewed the material to be sent for the vote on the clubhouse policy. Sharla worked with Ed Nolde who gave a legal opinion stating that the Board may legally promulgate a policy that permits individual members to rent the clubhouse on a short-term exclusive basis. Upon motion and second the Board unanimously agreed to rescind the previous policy voted on for clubhouse rental as per the motion made at the annual meeting on June 18<sup>th</sup>, and request for the members to vote on the policy. The Board also agreed that verbiage will be added to the ballot that states that a simple majority of the ballots returned shall determine the outcome. Upon motion and second the Board also unanimously agreed that ballots shall be returned to Chrysler & Gordon for tabulation.

**IX. Weed Abatement Committee**

**a. 2011 Weed Abatement Plan** – Tom indicated that AWAM does not plan to cut the weeds this year. Lane stated that there will be a problem inside some individual slips that will need to be addressed. Lane suggested that AWAM will be extremely expensive for raking so the dock attendants should do it to save costs. Lane also commented that if the canal owners decide to cut, AWAM will put the machine in and could bid on cutting the marina as well. Lane indicated that he should not be the one to tell Cole because he has a conflict of interest. Since Cole will have to buy some supplies, Ken should talk to him about this.

**X. Management Advisory Committee** – Ken and Bernie had nothing to report at this time.

**OLD BUSINESS**

**XI. Website Information Availability** – The Board reviewed if they should continue both websites. Bernie indicated that the [www.eaglebendyachtharbor.com](http://www.eaglebendyachtharbor.com) website is useful for sales and open to the public when SenEarthCo is not. The Board agreed to continue both websites. Bob Livesay suggested that a link be included to the website each time JES Management sends out an e-mail. For example, when the minutes are attached and e-mails to the Board, a link to the minutes on the website should be included in the email. The Board agreed.

**XII. Dock Floats** – Tom Steffes wanted to review this item again. Tom indicated that the floats seem to be at the same spot and recommended that the Board keep an eye on them. Tom also states that the floats at the boat launch got hit by props.

**XIII. Boat Launch Ramp Extension** – Sharla indicated that this was discussed at the last Board Meeting. Tom indicated that he has some pipes and has not gotten to this yet.

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This item will be added to the next Board Meeting agenda.

**NEW BUSINESS**

- XIV. Status of Implementation of Management Agreement Schedule B** – Lane requested that this item be added to the agenda. Sharla provided an update on the implementation of the Schedule B items. Lane indicated that one of his issues is customer service. Lane suggested that JES Management should not just meet on-site, they should be letting slip owners know that they are there by approaching them to ask them if they have any concerns they would like to discuss. Lane indicated that some boat owners do not know how to tie up their boats correctly. Lane suggested that Cole re-tie any boats that are not correct and leave that owner a note on their boat to let them know that it was not done correctly. Sharla indicated that most slip owners do not appreciate the dock attendants touching their boats and this could be a liability for JES Management. Randell asked whose responsibility it is to ensure that a boat is tied up correctly. Sharla indicated that it is the boat owner's responsibility. Lane indicated that if the boat is not tied up correctly it could cause damage to other boats and that is JES Management's responsibility. Sharla clarified that re-tying boats after the storm is not an issue and that the Board is requesting that Cole add this to his everyday routine to email everyone whose boat is not tied up correctly. The Board agreed. Randell suggested that pictures be taken of how a boat should be tied up and add them to the website. Cole could refer owners to the website. Tom indicated that he will work on this with Sharla. Lane suggested that the Maintenance Committee should know about all maintenance requests so that they can ensure it is followed up on. The Board agreed that JES Management will do this. Lane also indicated that the Committee should publish a list of all maintenance items requested and what the follow up was. He also suggested that there should be a maintenance request form in the clubhouse and a suggestion box to put them in. The Board agreed.
- XV. Discuss Reserve Study** – Bernie and Ken are working together on the Capital Reserve Study. Sharla did some initial research with the insurance company. Ken has begun the process of logging components and setting up the excel spreadsheet to begin listing useful life and replacement value. The Board would use the Reserve Study to determine the structure of the reserve fund. This item will be added to the next Board Meeting agenda.
- XVI. Fuel Pricing Policy**
- a. Pricing Policy Review** – The Board reviewed a proposed 2011 revision in gasoline purchasing and pricing policy proposed by Ken Taylor. Tom indicated that slip owners are bringing gas cans down after Cole leaves instead of buying gas. Tom indicated that slip owners want to enjoy their time at the marina and the fuel pricing is making it less enjoyable. Ken indicated that preliminary study involving unit cost analyst, introduced by Bob Livesay, suggest that the Association may not profit from fuel sales and may lose money on every gallon it sells. More accurate information is needed to offer a more conclusive assessment of overall cost. After considering higher volume and meeting some thoughtful resistance, Ken suggested the Board may wish to consider the cost side of the equation. As a cost saving option to be explored, it was suggested that the fuel facility could operate at its busiest times, Thursday through Sunday, ten hours a day to potentially reduce unit cost. It was further suggested that Monday through Wednesday

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management could monitor the marina three times daily. Tom indicated that someone still needs to be there for maintenance rather they are selling fuel or not. The Board agreed to keep the gas shack staffed seven days a week. Upon motion and second the Board unanimously approved the following policy:

*"The current Board approved mandate to price gasoline at 33% over cost on the most recent purchase would be revised to a seasonal average of 30% to 33% target only. Management is to monitor gasoline pricing available on the lake on a weekly basis. Management would consider the target price, consider its most recent purchase price, consider the lowest market price and price our gasoline competitively. Meeting the market would be highly recommended. Pricing above the market would most likely result in a loss of sales and market share. Undercutting the competition, would increase the probability of increased sales, but may also result in unintended competitive downward pricing pressure that might result in unnecessary margin loss. If the weather is poor, weather being the first factor in sales, and we sell to just a few customers we have given up margin without gain from the intended gain from lower price and higher volume. At the beginning of the boating season management would be asked to submit initial pricing to the Association officers for final approval to set pricing. Management will seek approval from the board officers when the market conditions require price changes to compete effectively. When management purchases fuel, periodic competitive pricing consideration would be required. Management is advised to contact all local providers of fuel for consideration on a periodic basis and would share that information initially with the Association's officers and then to the full board of directors for review. Fuel will not be priced lower than one dollar over the most recent purchase price." (Please refer to full report)*

**b. Fuel Octane** – Randell asked why the Board decided to sell 87 octane fuel. Randell indicated that it is not a good practice to promote using ethanol fuel and no one else on the lake sells it. The ethanol in the fuel is the issue not the octane level. This issue was tabled for the next Board Meeting. Upon motion and second the Board unanimously agreed not to refill the tank until a decision is made on this matter.

**XVII. Board Meetings at Clubhouse** – Lane suggested that the Board should meet in the clubhouse. He indicated that it would work better because they could look at something if they needed to and there is value in having the Board Members meet at the facility. Bernie indicated that in the past, the Board did not approve the expense to add a phone line in the clubhouse. Tom indicated that there is already a working phone line in the clubhouse. Sharla clarified that clubhouse is equipped for a phone line but the service is not activated. Ken explained that there is a convenience factor to have the meetings at JES Management. The Board unanimously agreed to have at least one meeting per year at the clubhouse.

**XVIII. Use of Facilities** – Recently Cole Browning made Ken Taylor aware of a situation in which former president, Brent Hall, was denied access to the clubhouse. At a previous Annual Meeting former acting President, Bob Smith, had announced to the Eagle Bend Yacht Harbor membership that outgoing President, Brent Hall, would always maintain his non-exclusive rights to use the marina facilities. Based on promises made by the acting President, Bob Smith, as a solution, Ken proposed that the Board consider

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formalizing the promise and initiate a letter of apology to Brent. Ken further indicated that Cole did nothing wrong and may not have been aware of the previous promises made by the former President. Ken further emphasized his view that the word of the past President should maintain credibility. Tom indicated that Brent is not longer a paying slip owner and should not be allowed to use the facilities unless he owns a slip or is a guest of a slip owner. The Board agreed that only slip owners and their guests have rights to use the facilities. It was further noted that Brent's desire to occasionally utilize the facility could be accommodated much more informally by way of any of many members that Brent knows and that would be pleased to host Brent for such use. The Board elected not to vote on this proposal.

- XIX. Election of Officers** – The current Officers indicated that they would continue serving in their current positions. There were not any new nominees. Upon motion and second Officers were unanimously elected as follows: President: Bernie Slogotski; Vice-President: Bob Livesay; Secretary/Treasurer: Ken Taylor.
- XX. Set Next Board Meeting Date** – The next Board Meeting was tentatively schedule in October. The Board will be notified of the suggested time and date.
- XXI. Adjourn** – There being no further business the meeting was adjourned at 5:15 PM

Submitted by:

Accepted by:

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Sharla Browning  
Property Manager  
JES Management Inc

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Ken Taylor  
Secretary/Treasurer  
Eagle Bend Yacht Harbor Board