



EAGLE BEND YACHT HARBOR
& BOAT SLIP OWNERS ASSOCIATION
EAGLE BEND YACHT HARBOR BOARD MEETING

Monday, October 24th, 2011 at 10:30 AM
Eagle Bend Yacht Harbor Clubhouse / Teleconference

- I. **Call Meeting to Order and Establish a Quorum** – A quorum was established and the meeting was called to order at 10:33 AM. Attending in person were President, Bernie Slogotski, Vice-President, Bob Livesay, Secretary/Treasurer, Ken Taylor and Board Members, Lane Ross and Tom Steffes. Attending via teleconference was Board Member, Roy Hollandsworth. Jessica Glazier, Sharla Browning and Cole Browning from JES Management were also in attendance.
- II. **Review & Approve Agenda Items** – Upon motion and second the agenda was approved as written.
- III. **Approve Minutes from July 28th, 2011 Board Meeting** – Roy asked for clarification on the fuel pricing policy that was set at the last meeting. Bernie explained that the Board agreed that fuel prices would be set in line with alternative pricing on the lake. Upon motion and second the minutes were unanimously approved as written.
- IV. **Treasurer's Report** – Sharla Browning gave the Treasurer's Report. The Association's total account balances were broken down as follows: Operating Checking Account - \$2,000.00; Operating Savings Account- \$58,430.58; Capital Reserve Savings Account - \$106,148.32; Property Tax Savings Account - \$22,037.79. Lane Ross asked for clarification on what is being stored in the storage unit. Cole clarified that it is 13 dock boxes. Lane asked if there is any alternate storage for the dock boxes on site. He suggested looking into a storage shed near the boat launch. It was agreed that the Maintenance Committee would make a proposal on this in the future. Tom asked what the current credit card rates are and if JES Management looked into alternate merchant services providers. Sharla indicated that the current rates are approximately 3.1% and vary depending on the type of card. The Board agreed that the rates seemed competitive enough at this time. Lane asked about any charges incurred for handling the clubhouse policy vote and as a result of the letter from a member's attorney that was sent to the membership. Ken indicated that the estimated overall additional cost of management, legal (Attorney Edward Nolde) and Chrysler /Gordon's services cost the Association approximately \$2,000.00. Lane suggested that the Board may want to look into amending the Bylaws to more clearly define that legal fees incurred by the HOA to handle any issue as a result of an individual slip owner could be billed back to the slip owner. Bernie indicated that we would add this to the list of potential Bylaw amendments and look into it at that time. Ken Taylor commented that this may be best addressed in a two stage manner, first informing members of the cost associated and then if the problems persist we might look into amending the Bylaws to incorporate a change. Roy Hollandsworth suggested that the Board add this item to the agenda and present the total costs incurred to handle this specific matter at the next Annual Meeting. Lane was supportive of this. Lane asked if there is property insurance on the buildings. Sharla clarified that there is. Lane also asked if the employees received insurance benefits. Sharla clarified that they do not. Lane requested that the employee wages be separated from the liabilities, materials and insurance. Sharla let Lane know that Ken is working in the budget and that she would address this request with him.

P.O. Box 463 – Bigfork, MT 59911

Phone: (406) 837-4536 – Fax: (406) 837-5789

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Upon motion and second the Treasurer's Report was unanimously approved as presented.

a. Review Proposed 2012 Budget – Ken Taylor presented a preliminary 2012 proposed budget inclusive of a recommendation by the Aquatic Weed Maintenance Committee that would require an estimated \$20,000.00 for overall aquatic weed maintenance needs. \$10,000.00 of that figure is directed to the remediation of the Curly Leaf Pond Weed present in the marina. The budget also included projected increased cost for combined Association insurance coverage. The preliminary budget forecast a shortfall of \$10,535.00. Ken indicated that a more comprehensive budget could be submitted once decisions were made by the board addressing the proposed 2012 management contract that would create a salaried Marina Manager position and a number of projects proposed by the Maintenance Committee. Ken indicated that the numbers were straight forward and it appears that dues may need to be increased. The preliminary budget proposed \$3,000.00 for Off Season Maintenance and \$10,000.00 for maintenance to be done during the boating season, consistent with overall maintenance expenditures for all of 2011. If the proposed 2012 management contract were approved the off season maintenance portion would become unwarranted. The \$3000.00 was budgeted to facilitate half day trips twice weekly in the winter months to monitor the marina's facilities and/or any other needs that may arise during the off season. The initiative that JES Management has proposed is to create a salaried marina manager position for \$37,200.00 gross fixed cost annually. Ken Taylor stated that this proposal would represent substantive increased expense in marina dock staffing. Ken Taylor will circulate a revised budget reflecting the decisions made during the board meeting. Randell asked if JES Management has shopped the insurance policies. Randell further indicated that insurance agencies sometimes become complacent, requiring a need to shop. Sharla indicated that Western States shops the policies on a regular basis but JES Management can look into alternate companies as well.

V. Managers Report – Management did not have any items to report on.

VI. Committee Member Review – Bernie indicated that most of the Committee's have at least two members and the Weed Committee currently has one. Since this Committee will be addressing a major issue in the near future with the curly leaf pondweed, Bernie appointed Randell Seyfert as the second Board Member. Randell accepted.

COMMITTEE REPORTS

VII. Maintenance Committee – Bob Livesay and Lane Ross gave the Maintenance Committee Report.

a. Maintenance Report & New Project Recommendations – The Maintenance Committee presented a list of recommendations to consider accomplishing in 2012.

- 1. Corrosion Protection of Vent Stacks** – Estimated cost \$1,500.00 – The DEQ requires that the corrosion protection for the vent stack piping be updated by March 1st, 2013. The Board agreed that this item should be addressed on the 2012 budget.
- 2. Installation Electronic Leak Detectors** – Estimated cost \$3,525.00 – Cole explained that this item is not required by the MT DEQ however they will be requiring a new static test on all sumps in 2013, at each 3 year compliance inspection. EBYH's next inspection will be before June 1st, 2013. The new static tests will most likely be expensive to conduct and the sumps would not be able

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to pass the new tests. Electronic leak detectors would make EBYH exempt from the new static testing. Ken indicated that the Board may want to elevate this item and switch to above ground tanks. Roy indicated that above ground storage tanks are extremely expensive. The Board agreed that they need to learn more about the longevity of the underground tanks.

3. **Repair Dam Plates** – Estimated cost \$500.00 - \$1,500.00 – The Board agreed that this item was already approved at a previous Board Meeting and should be addressed in 2012. Ken confirmed that the costs have already been included in the maintenance budget.
 4. **Lawn Care, More Fertilizer and Mowing** – Estimated cost \$2,400.00 – The Maintenance Committee is considering incorporating regular fertilization and the additional mowing that will be required from a healthier lawn. Bernie suggested that this item be further discussed at the spring meeting.
 5. **Replacing Toilets** - \$3,000.00 – The toilets are functioning as designed however they are low quality and underperforming for the needs of the marina. Ken confirmed that the costs had already been included in the maintenance budget.
 6. **Change Dry Storage Room on Men's Side of Clubhouse to Handicap Accessible/Family Style Restroom** - Estimated cost \$15,000.00 - \$20,000.00 – The restrooms are not legally handicap accessible. Ken Taylor inquired about the legal necessity of providing handicap accessibility for a private facility. It is unclear if EBYH is legally required to be handicap accessible since the marina is private. This item is optional subject to long term planning.
 7. **Sidewalk Improvement** – Unknown cost estimate – Bob Livesay provided a speculative preliminary estimate of \$7,500.00. That estimate was later updated to fall between \$7,500.00 and \$10,000.00. The Maintenance Committee is considering incorporating new sidewalks to connect both entrances to the clubhouse, connect the north parking lot to the sidewalk and front entrance of the clubhouse, and connect the sidewalk in front of the south entrance of the clubhouse to the landing area in front of the bathhouse. This would greatly improve the access to the marina for handicapped members and guests. Lane also pointed out that the cracks in front of the clubhouse show a serious problem. He thinks there may be voids under the sidewalks. The Board agreed that this item will remain on the list of projects and be reviewed upon overall review of the budget.
 8. **Retaining Walls** – Unknown cost estimate – Lane indicated that the retaining walls are sinking. The Board agreed that a geotech will need to be retained to make recommendations. Bernie asked the Maintenance Committee to get in touch with a firm that works in the area to discuss pricing.
- b. Keycard Readers** – At the last Board Meeting, Tom suggested looking into a backup system for the keycard readers. Cole found that this would be expensive and there have been no further issues. The Board agreed to hold this item for future action if issues continue to occur.

VIII. Clubhouse Rental Policy Committee – Bob Livesay gave the Clubhouse Rental Policy Committee Report.

a. Approve Clubhouse Rental Policy – The ballots returned on this matter show that over 60% of slip owners are in favor of the policy. Based on slip owner feedback, the Board reviewed two proposed changes to the policy. JES Management was replaced with management company in paragraph one. It was added that the clubhouse may not

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be rented more than six times per calendar year in paragraph three. Upon motion and second the clubhouse policy was approved pending the two changes listed with 6 in favor. Tom Steffes abstained from voting.

- IX. Weed Abatement Committee** – Lane Ross gave the Weed Abatement Committee Report. Lane indicated that a noxious weed as identified in the marina and elevated to the authorities. The Flathead County Weed Board has the authority at this time. The problem identified from the dam into the marina will be the responsibility of the Eagle Bend Yacht Harbor, Eagle Bend Golf Course and Harbor Village Homeowners Association. Lane proposed that EBYH proceed with chemical treatment. An environmental assessment or checklist assessment may be required. Flathead County will be collecting bids for treatment. The County will mail a letter giving notice to the responsible parties. Lake asked them to address the letter to JES Management for distribution. JES Management will send the letter to the Board upon receipt. Lane recommended that EBYH propose to contribute \$10,000.00 for treatment. Upon motion and second the Board unanimously approved to send a letter committing up to \$10,000.00 for treatment in which EBYH intends to use inside the marina.
- X. Management Advisory Committee** – The Management Advisory Committee did not have any items to report on.

OLD BUSINESS

- XI. Boat Launch Ramp Extension** – There was discussion at a previous meeting about adding a pipe to the end of the boat launch. Tom indicated that he has the pipe and the Board would need to hire someone to install it. The Board agreed to approve up to \$500.00 for installation of the pipe when the water level is appropriate.
- XII. Discuss Reserve Study** – Ken Taylor indicated that he has categorized five major areas that need addressed with the Reserve Study. The clubhouse, gas facility, dam, docks and general grounds. Ken indicated that this is a work in progress. This item was tabled for the next Board Meeting. Lane asked what will be done with any surplus in the Operating Fund at the end of 2011. Ken indicated that the Board would have to address this matter when approving the budget and look to where to allocate the surplus. Upon motion and second the Board unanimously agreed to transfer any surplus in the Operating Reserve Fund at the end of 2011 into the Property Tax Fund account.
- XIII. Fuel Octane in 1000 Gallon Tank** – At the last Board Meeting, the Board voted not to refill the 1000 gallon tank until further review. Cole indicated that there is 150 gallons of 87 octane fuel in the tank that cannot be dispensed. Ken proposed switching the tank to non ethanol 91 octane fuel. Upon motion and second the Board agreed to switch the 1000 gallon tank to non ethanol 91 octane fuel. The Board agreed to pump the 150 gallons of 87 octane fuel out of the tank and bleed the lines appropriately before switching. The Board agreed to fill both tanks 50% for the off season. The Board agreed that the fuel will be treated and to get the treatment from Tom again this year.
- XIV. Final Action on Livesay Dock Improvement Request of May 2011** – Bob indicated that this matter has been resolved. He indicated that the Board still needs to come up with a list of standardized modifications. The Board agreed to add standardization modifications to the next agenda. Cole, Tom and Randell will work on the list.

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NEW BUSINESS

- XV. Renter Access to Clubhouse** – Tom was confronted by several slip owners concerned that slip renters were being allowed to use the clubhouse. Bernie consulted with previous Board Members, Brent Hall and Tim Fox, neither remembered ratifying a policy on renters using the clubhouse. Roy and Karen Hollandsworth remember that a policy was ratified disallowing renters to use the clubhouse prior to JES Management. Upon motion and second the Board unanimously agreed to reaffirm a previous motion that clubhouse access is permitted to owners and their guests only. Bernie indicated that between now and the spring Board Meeting, JES Management will add this item to the rules and regulations document that renters will sign stating that they agree to the rules.
- XVI. Confirm Plans for Off-Season Use of the Clubhouse by Slip Owners** – The Board unanimously agreed that the off-season clubhouse use policy shall remain the same as the previous year as follows:

Those wishing to access the clubhouse in the winter months when the marina is locked may access it by first contacting management and checking out a key for a specified period of time and additionally specifying its usage for the time period requested.

- XVII. Adjourn** – There being no further business the meeting was adjourned at 1:04 PM.

EXECUTIVE SESSION

- XVIII. Review Management Proposal** - The Board discussed the JES Management Proposal for the 2012 Marina Manager, Dock Attendant and Business Manager Salaries which Bernie Slogotski had earlier circulated to the Board with his e-mail dated October 18, 2011. Considerable discussion was held regarding the pros and cons of employing the Marina Manager on an annual salary basis including the increased cost of this change to the Association. The Board approved the proposal with the proviso that Bernie would attempt to negotiate a decrease to the base salary cost by \$3,000 plus the applicable and related benefit costs that would reduce as a result of such a base salary cost decrease.
- XIX. Set Next Board Meeting Date** – The date of the next Board Meeting would be in late, April 2012. The specific date, time and place of the meeting would be determined at a later date.
- XX. Adjourn** – There being no further business the Executive Session of the meeting was adjourned at 2:10PM.

Submitted by:

Accepted by:

Sharla Browning
Property Manager
JES Management

Ken Taylor
Secretary/Treasurer
Eagle Bend Yacht Harbor Board