

**Eagle Bend Yacht Harbor & Boat Slip Owners Assoc.**  
**PO Box 463 Bigfork, MT 59904**  
**BOARD OF DIRECTORS MEETING**  
**Monday July 27, 2012**  
**Eagle Bend Yacht Harbor Clubhouse 10:00 a.m.**

- I. **Call Meeting to Order and Establish a Quorum** – A quorum was established and the meeting was called to order at 10:05 am. Board members present were Interim President- Lane Ross, Interim Vice President-Geoff Bayliss, Secretary/Treasurer-Randell Seyfert, and Board Members: Chuck Boutland, Gary Purdy, and Tom Steffes. Board Member Roy Hollandsworth was unable to attend. Representing JES Management was attorney Todd Glazier, Jessica Glazier, Sharla Browning, and Marina Manager Cole Browning. The Association Insurance Provider was represented by Wendy McGill who was present. Lane indicated that he would be recording the meeting.
  
- II. **Introductions of Slip Owner Guest** – Slip Owners present were Dennis McDowell (slips D14, C29, C30), Donald and Bettina Lamson (slip D40), Mickey Sogard (slip E11), Janie McManus (slip D35), and Ken Taylor (slip C24).
  - a. **Renter Access to Clubhouse** – Dennis McDowell indicated that he was attending the meeting to discuss slip renters being denied access to the clubhouse. He was made aware that the Board adopted a policy to disallow a renter access to the clubhouse. Dennis indicated that the owners of the rented slips pay the same dues and therefore the rented slips should not have more restrictions than any other slip. Dennis suggested that there should be some kind of compromise. Dennis suggested that a slip owner be allowed to hold private parties. Lane Ross asked if there is a standard lease form for all slip rentals. Dennis indicated that there is not a standard lease but all renters do return a standard information sheet. Lane suggested creating a standard form that all renters receive, listing the rules. Dennis indicated that section 6.16 of the Bylaws states that the terms and conditions of the leases and subleases of Boat Slips shall be approved by the Association. Upon motions and seconded the Board unanimously agreed to form a committee to further review this item and create a standardized lease and renter clubhouse use policy. The committee shall consist of Board Members: Gary Purdy, Geoff Bayliss and Dennis McDowell would contribute as an advisor to the committee. The Board agreed to ask the Association members if any other volunteers would be willing to serve as committee advisors.
  - b. **Sogard/McManus Event** – Mickey Sogard and Janie McManus were in attendance to discuss their reserved rental event that took place in the clubhouse on July 15, 2012. Mickey indicated that she and Janie were notified by JES Management two business days before their event that Interim Vice President, Geoff Bayliss, would require them to purchase a special even policy in order to proceed with their private party or that their funds for the private rental could be refunded, if that was a problem and they could proceed with their functions without charge. Janie and Mickey did not receive the message until the following day. It was their understanding from the written policy approved by the membership that they had conformed to all of the requirements. Mickey Sogard indicated that they had tried to contact the President, Lane Ross, but he had been out of town. Mickey had also attempted to contact Wendy McGill from Western States who was out of the office. Mickey did indicate that she was able to obtain coverage. Mickey indicated that she has since received her original check back from Western States. When Wendy at Western States returned to work she determined that the coverage was not necessary as all slip owners are already a named insured on the policy. (They had previously informed Geoff Bayliss by e-mail and by phone

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that they highly recommended that insurance be required.) Wendy was also in attendance to help clarify the insurance coverage and requirements. Wendy apologized for the confusion that occurred while she was out of the office. Lane apologized for any hardship that may have been caused. Slip Owners Mickey Sogard and Janie McManus attended the board meeting to express their concerns about being required to obtain a special events policy for renting the clubhouse and given only a few days to obtain it.

- c. **Review Quote to Increase Deductible** – The Board reviewed a quote obtained by Geoff Bayliss to increase the insurance deductible. The quote would save the Association \$82.00 per year. The Board unanimously agreed not to make any changes at this time.

III. **Approve minutes from June 16, 2012 Annual Meeting** – 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 totally equity as of June 30, 2012 was \$539,951.86. That equity was broken down into the following fund accounts: Operating Checking and Savings - \$39,160.35, Property Tax Savings - \$19,252.76, Capitol Reserve Savings - \$120,465.11, Aquatic Weed Checking - \$4,910.16. There were no delinquent accounts. Sharla explained that the mid-year review also elaborates on the Treasurer's report and included more detailed information. Geoff suggested the possibility of utilizing some of the aquatic weed fund to pay for some other priority projects. Upon motion and second the Treasurer's Report was unanimously approved as presented.

V. **2012 Mid-Year Budget Review** – The Board reviewed a written copy of the mid-year budget review provided by JES Management. The report included 2011 budgets vs. actual 2012 budget vs. actual to date 2012 year end projections and comments on the budget for JES Management. Geoff asked what a transfer fee is and where the money goes. Sharla explained that a \$100.00 transfer fee is collected each time a boat slip sells and the funds are deposited into the operating savings fund. Geoff was concerned about the price of the boat and trailer stickers and asked that this item be reviewed. Chuck asked if it is accurate that the Association only sold \$4,000.00 of fuel to date and if the income projection of \$95,271.00 would be realistic. Sharla clarified that the reports are through June 30, 2012 and that most fuel income is generated in July and August. Sharla also explained that in this case fuel income was calculated based on a decrease of fuel expense of 15.5% from 2011 and a markup of 40%. If any of those factors change it will change the projection. Lane recommended that the Board take home the midyear review to digest and get back to Sharla with any Questions.

### **COMMITTEE REPORTS**

VI. **Review and Affirm Committees and Committee Members** – Upon motion and second the Board unanimously agreed upon the following Committees and Committee Members: Maintenance Committee – Geoff Bayliss (Chairman), Management Advisory Committee – Chuck Boutland, Lane Ross, and Randell Seyfert, Weed Abatement Committee – Lane Ross and Randell

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Seyfert, Slip and Clubhouse Lease Policy Committee – Geoff Bayliss, Gary Purdy, and slip owner Dennis McDowell would serve in an advisory role.

- a. **Maintenance Committee Review and Affirm Maintenance Committee Policy** – This item was tabled for the next regular Board Meeting when the Maintenance Committee has had a chance to review the policy.
- b. **Family Style Restroom Project** – The Board unanimously agreed to table this item for further review in 2013.
- c. **Sidewalk Improvement** – Lane indicated that there are priority items that should be completed before this. Jessica commented that the maintenance budget has already been exceeded for 2012. The Board unanimously agreed to table this item for further review in 2013.
- d. **Review Proposals**
  1. Clubhouse gutters – The Board reviewed proposals to install gutters on the clubhouse and bathroom. The Board unanimously agreed that this should be done but is not a priority for 2012.
  2. South parking lot asphalt repair – The south parking lot has settled and dropped where it meets the sidewalk. Tom indicated that there should be French drains but they could not install them originally because there had to be a buffer to filter water. The Board reviewed proposals to repair the asphalt in the south parking lot. “Crone Pro Seal” and “Glacier Paving” proposed different methods of repair. The Board unanimously agreed to obtain additional proposals using the method that Glacier Paving proposed and table the work until after Labor Day.
  3. Dock light electrical repairs – Cole indicated that there are approximately 11 dock lights that need looked at by an electrician. Cole commented that repairs and maintenance is over budget. Upon motion and second the Board unanimously agreed to table this item.
  4. Additional signs regarding Life Jackets – The Board reviewed proposals from “Signs Now” to make additional signs requested by Geoff Bayliss. The signs indicate that lifejackets are located in the bathrooms and that all vessels must be inspected for aquatic invasive species prior to launching. Cole indicated that the sign budget for 2012 is \$50.00 so these signs would exceed budget. The Board discussed how they would enforce a mandatory inspection of all vessels as suggested. Cole is a certified inspector but he is not always on site. The Board unanimously agreed to operate the boat launch within current state guidelines for public boat launches. Lane indicated that the invasive species sign can be obtained from Fish Wildlife and Parks. The Board unanimously agreed to purchase the life jacket signs totaling \$132.50.

- VII. **Weed Abatement Committee** – Geoff Bayliss recommended that the Board ask slip owner, Paul Dearman to be an advisor to this Committee. Randell reported that about a month ago Erik Hansen called and suggested some additional treatment since there are funds leftover. “AquaTechNex” also suggested one more treatment in the fall. The Committee will work on obtaining a quote for an additional treatment in the fall.

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- VIII. **Management Advisory Committee** – There was no report. Chuck asked what the purpose of this Committee was. Jessica explained that the previous Board determined that the daily management of a marina is a more complex operation in comparison to the average Homeowners Association. They implemented this committee to provide management and slip owners, a formal process to handle unusual issues as they arise. The past committee consisted of the President and the Secretary/Treasurer. There also used to be an Executive Committee that operated in a similar fashion consisting of the Officers of the Board. The Board unanimously agreed to combine the Executive Committee and the Management Advisory Committee.

**OLD BUSINESS**

- IX. **Boat Launch Ramp Extension** – The Board agreed to leave this item under old business until the water level drops and the work can be performed as previously approved.
- X. **Reserve Study** – Sharla explained that this is an item that Ken Taylor was working on. The purpose is to gather information regarding longevity and replacement costs of the Association's property and equipment and compile into a document that would translate into long term financial planning of the reserve fund for the common elements. The Board unanimously agreed to assign this task to the Maintenance Committee.
- XI. **Standardized Modifications** – Randell explained that this is an item that he is working on. The purpose is to create a list of pre-approved items such as dock wheels, cleats, etc. To expedite the approval process for slip owners. Randell will try to complete this in the fall.

**NEW BUISINESS**

- XII. **Election of President and Vice President** – Upon motion and second the President and Vice president were elected as follows:  
President - Gary Purdy motioned to elect Lane Ross, seconded by Tom Steffes. The motion carried with 5 in favor and 1 opposed.  
Vice President – Lane Ross motioned to elect Gary Purdy, seconded by Geoff Bayliss. The motion carried with 5 in favor and 1 abstaining.
- XIII. **Review Suggested Revision to Clubhouse Rental Contract Regarding Vendor Insurance** – The Board reviewed a red-lined proposed change to the clubhouse rental contract to include an additional section 3.i. which would state: "Slip owners who hire a vendor for their event (caterer, DJ, etc.) must provide proof of vendor's general liability and worker compensations insurance which lists "Eagle Bend Yacht Harbor BSOA" as an additional insured." The change was proposed by JES Management after meeting with Western States Insurance regarding insurance requirements. Upon motion and second the Board unanimously approved the change as proposed.

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- XIV. **Status of Allowing Clubhouse Rentals** – Sharla Browning indicated to the board that Interim Vice President, Geoff Bayliss, had previously instructed JES Management not to accept any further clubhouse rentals as per the current clubhouse rental policy. The Board discussed whether or not the Board has reason to re-write the existing policy. The Board agreed to operate within the current policy. The Board tabled a discussion of re-writing the policy until the next regular Board Meeting.
- XV. **Election Voting Process** – Sharla indicated that concern was expressed at the annual meeting that the election voting process is still not completely confidential. The resolution at the annual meeting was that the Board would review the process. The Board tabled review of the election voting process until the next regular Board Meeting.
- XVI. **Staff to Attend AIS Course** – Geoff Bayliss previously recommended that all staff should be trained to inspect boats for aquatic invasive species. Randell asked what the cost of training would be. Cole indicated that the training course for him to be certified to train other employees is free but the Association would pay time, travel, and meal expenses since the course is in Lake Mead, NV. The Board unanimously agreed to move this time to the Weed Abatement Committee for a decision.
- XVII. **Mandatory AIS Boat Inspections** - The Board unanimously agreed to move this item to the Weed Abatement Committee for decision.
- XVIII. **Review of Janitorial Service Performance** – Sharla explained that JES Management has received several complaints from slip owners regarding the performance of the janitorial service. It was stated that the janitorial service was failing to perform its duties and tasks as outlined in its service contract. Jessica Glazier and Cole Browning had discussed the deficiencies with the janitorial service provider and they had declined to correct those specific issues of concern. The Board unanimously agreed to obtain additional bids for janitorial services. The bids will be sent to the Management Advisory Committee for review and approval.
- XIX. **Other New Business** –
- a. Board Meeting Notification – A slip owner requested that all members be notified of Board Meetings. The Board agreed to send broadcast messages and post a notice on the door for each meeting.
  - b. Fuel Pricing – A slip owner asked that the Board consider his concern over the fuel price. The slip owner requested that the markup on fuel be reduced. The Board agreed not to make any changes to the fuel pricing policy at this time.
  - c. Jessica Glazier circulated a letter with concern about procedural issues. In her letter Jessica suggests that the new Management Advisory Committee should be able to resolve any procedural issues in the future.
  - d. JES Management early termination – Lane Ross read aloud section 8.2 of the JES Management contract which states that the contract may be terminated by either party by serving a 45 day written notice via certified mail after the initial term of the

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agreement. Geoff indicated that the initial term of the agreement is over. Sharla indicated that the initial terms of the agreement are in effect until December 31, 2012. There was some disagreement with respect to the terms of the Association's contractual obligation, specifically when the initial term of the agreement ends. Lane Ross also read aloud section 8.3 of the JES Management contract which states that the contract may be terminated at the discretion of the majority of the Board of Directors by serving a 90-day written notice via certified mail. Jessica asked if the Board is seeking to terminate the contract early and what the reason for termination is. Jessica indicated that this is the first that she has heard from the Board on this subject. Lane indicated that both parties need to agree on what the notice requirement for early termination is. Jessica asked again what the reason for termination is. Lane indicated that the contract does not require a reason to be provided and that the Board may provide that information later, if necessary. Jessica commented that she understands that they are not required to provide a reason however she is requesting one as a professional courtesy. Randell Seyfert indicated that this caught him by surprise and asked why the Board is seeking a termination. Randell asked if the issue could be resolved by allowing the contract to expire and not seek an extension. Randell indicated that the slip owners which the Board represents will also want a reason for early termination. Tom commented that Management's treatment of vendors was a contributing factor. Chuck Boutland agreed with Randell that he would like to know the reason for early termination other than treatment of vendors. Geoff indicated that one of the biggest problems is money. Costs have doubled since he purchased his slip. Chuck asked Geoff if that is JES Management's fault and indicated that the Board is responsible for the budget. Geoff indicated that the people who work at the marina should be employees of Eagle Bend Yacht Harbor. Geoff indicated that the Board can save the membership money by making a change in management. Randell indicated that he agrees that if the budget is a concern a change should be considered, however, is terminating the contract early going to save any money this year? Randell indicated that he is Secretary/Treasurer and has not seen any management proposals. Randell asked who the Board is considering to take over management. Geoff indicated David Roberts with Western Mountains. Randell asked if the money they will save is going to be refunded to the membership. Lane answered that it would go into the general budget. Randell indicated that the decision should not be based on one member's agenda it should be about what the members want. Lane indicated that they have already talked to Board Member Roy Hollandsworth and he agrees that the money has gotten out of control. Lane indicated that Jessica has every right to ask for a reason and one can be provided at a later date, if necessary. There is no responsibility in the contract to provide a reason now. Lane assured Jessica he will talk to her on a professional level and let her know the reasoning. Tom Steffes made a motion to terminate the JES Management contract. Geoff Bayliss seconded the motion. The motion to terminate the existing management contract as per the terms

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of the agreement was passed. Four member in favor and two opposed. Geoff Bayliss recommended that the termination be effective immediately.

- e. Cole Browning termination – Lane recommended that Cold Browning be given a two week severance pay. Geoff explained that the Board could not terminate Cole’s employment because he is JES Management’s employee. It was Lane Ross’s view that the Board could make a request that JES Management remove Cole Browning from his current position as the Eagle Bend Yacht Harbor Marina Manager, and additionally request that management pay Cole two weeks’ severance pay. Lane Ross made a motion that the Board request JES Management to notify Cole Browning that he is not to be at the Eagle Bend Yacht Harbor as its marina manager, and the Board would approve payment for two weeks’ severance pay. The motion was seconded by Tom Steffes. The motion did not pass, two in favor and four opposed.

XX. **Set Next Board Meeting Date** – The next Board meeting shall be held Monday, October 1, 2012 at 10:00 am at the Eagle Bend Yacht Harbor clubhouse.

XXI. **Adjourn** – There being no further business the meeting adjourned at 12:54 pm.

Accepted by:

\_\_\_\_\_  
Randell Seyfert  
Secretary/Treasurer  
Eagle Bend Yacht Harbor BSOA