

SCHWEITZER PROPERTY OWNERS, INC.
ANNUAL MEETING
FEBRUARY 20, 2011, 3:00 PM
SCHWEITZER CHAPEL

1. The meeting was called to order by President Bill Alexander at 3:03 pm
Bill asked that people asking questions or making statements identify themselves and state where their place is on the hill. Bill will repeat most questions and restate all motions for clarity. He will also pause between sections to assist the recording secretary in taking minutes. There will be a short SPO board meeting following this meeting to elect the board's officers for the year. Bill also requested that cell phones be turned off during the meeting.
2. Resort update-Tom Chasse
 - a. Their fiscal year starts May 1.
 - b. Last summer's business was strong on the mountain and good at Bottle Bay where the resort operates a 55 slip marina and a restaurant.
 - c. A wedding patio has been built at the top of the Great Escape.
 - d. Season pass sales were a record for revenue. College pass sales also set a record at 1,800. The weather forecast for the season may have helped.
 - e. The planned opening was December 10th but the resort opened on 26 November.
 - f. Heather's day earned \$28,000 for the local Cancer non-profit. The area donated all proceeds from ticket sales to the charity.
 - g. Christmas revenues were good.
 - h. December 30 was a record revenue day and 19 February set another revenue record for the resort.
 - i. The Selkirk Lodge had a fire in an outside HVAC unit around 5 am on New Year's Day. There was some smoke in the lodge and it was evacuated. SFD extinguished the fire. The next weekend there was no NLI electrical power on Saturday. Basin express, Stella, and the Great Escape have backup power and were operated. Portable generators were used in the Village and the Water Cisterns up on the hill provided water to the area.
 - j. SMR no longer sells lift tickets in Costco, and has dropped the Escape Card. The new 3 day pass generated \$300,000 of sales. They are selling directly from their web-site and this has proved to be very successful. They are having 24 hour sales during the season. These sales are advertised via Twitter, Facebook, and email. They are also selling tickets through their e-Store on the website at discounts to employees of participating companies. Alpine and Sandpoint Sports are also selling discounted tickets in their Sandpoint stores.
 - k. The Spring Fling pass will be offered again this year. It will cost \$99, be a seven days pass effective 14 March till close, and is a credit toward a pass for next season.
 - l. The area will close on 10 April. The Schweitzer Sled Fest will be held the next weekend.
 - m. This summer will be primary maintenance and brushing on the backside, Stella and Springboard and the bottom of Chair 4.

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3. Property trespass within SMA

- a. Bill Alexander - Some Unauthorized trail work is occurring. Please ask permission first, not forgiveness afterward. Its illegal and it should stop. The SRD Ski Access Trails Committee will attempt to coordinate requests to brush with the property owners or identify the affected owners to the people who want to brush.
- b. Tom Chasse
The resort leases the land around the base of chair 4 and Musical chairs. The owner of the land does not want unauthorized brushing or trail maintenance or construction on his property. He is managing the property as a wood lot. There are additional concerns about erosion. The area is willing to work with you, talk to them before starting anything on their property.

There was a question concerning the Timber cruiser bike trail. It is not seen by the public as a beginner trail. Tom suggested trying the cross county trails as an alternative.

4. Proof of notice of meeting-John Oldfield

- a. Our bylaws require that the "Notice of Meeting" for the annual meeting be mailed by first class mail not less than 10 days or more than 60 days prior to such meeting. This requirement was met.
- b. Notice sent out by eBlast (emailed) on February 3, 2011
- c. Notices mailed (first class post card notice) on February 4, 2011
- d. Meeting notice and proxy forms posted on www.schweitzerowners.org on 31 January 2011

5. Introduce Officers and Directors-Bill Alexander

- a. Kent Lawson - Vice President
- b. Bob Landwehr- Treasurer
- c. John Oldfield – Secretary, web support, ski access trails
- d. Mel Bailey
- e. Roger Bosley
- f. Ev Coulter
- g. Lyle Hemingway
- h. Don Hutton

6. Approve agenda-Bill Alexander

- a. There is one change to the agenda. Steve Elgar, SRD Board President, will make the SRD presentation.
- b. There was no objection to the amended agenda and it was adopted

7. Secretary's report-John Oldfield

- a. 2010 Annual Meeting Minutes
 - i. They have been posted on the SPO Web Site for 11 months for comment.

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Corrections received have been incorporated. Five copies were printed and made available before this meeting started.

Ev Coulter made a motion to accept the minutes as written, Don Hutton seconded the motion, and the motion passed.

- b. John Oldfield has resigned as secretary of SPO citing new responsibilities as an SRD commissioner. His resignation will be effective when a new secretary is appointed. He will also remain on the board and continue to support the SPO Web Site and Data Base Project.
8. Treasurer’s report and budget information-Bob Landwehr
 Last year revenues exceeded expenditures by about \$900. SPO has \$21,800 on hand. Last year’s financial report is on the SPO Web Site. Roger Bosley moved to accept the Treasurers report. It was seconded by Don Hutton and approved by voice vote.
9. President’s report-Bill Alexander
- a. Membership 560, down from 603. We lost one association of 20, Die Schmeterling and one of 4, Black Diamond, who both decided to use other plowing services. The rest were individual members including 7 or 8 who also used other plowing services.
 - b. The SPO also backed the noxious weed spraying program last summer for all area residents and sub-roads (SRD). The program recouped 80% of the spray materials cost. A professional weed control contractor was hired to do the actual spraying. The program is available to parcels 2 out of every 5 years. This means spraying every other year until the weeds are controlled. If owners of parcels that were not in the program last year want to spray this coming summer please contact John Oldfield for information on the program.
 - c. To address this and provide more value to our members we will add 3 new committees: Membership, Transfer Station (more on this later), and Summer Recreation. If you are interested in helping with a committee, there are sign-up sheets on the table in the back for these committees as well as for snow plowing, ski access trails, and communication and database. A few volunteers have been handling the established committees and we need more help if we are going to build our membership and provide more reasons for others to join or rejoin.

10. Committee report’s

- a. Driveway Snow Plowing-Kent Lawson

Comparison of plowing Costs and snow fall		Snowfall		
	2010-2011	2009-2010	10-11	09-10
Nov (8 plows)	\$13,527	\$13,291		
December	\$14,754	\$15,121		
January	\$20,527	\$13,365		
Total through Jan.	\$48,808	\$41,775	188”	199”
Average cost/day	\$1,683	\$2807		

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b. Ski In/Ski Out Trail Plan-John Oldfield

Current Trails Status

- i. Condo Access – normal operations – some problems with scraping and/or sanding the snow trail crossing Crystal Springs Roads. Kent has worked with the plowing contractor on this.
- ii. Bornholm – Big Timbers - Operational – No known problems
- iii. Chapel Trail and Overnighter Ski In / Ski Out – Area owned and operated – no known problems.
- iv. Chapel Junction (Woodrun) Ski Out to Hemlock-Stella- NW Passage Junction – Have had problems with plowing rubble being pushed on the trail by graders and buckets. Kent has worked with the contractor to eliminate/minimize these problems. The trail is heavily used. Last summer volunteers removed two stumps from the area at the Stella end of the trail and brushed the bottom half of the trail.
- v. Telemark Trail - Operational - not groomed.
- vi. Access to the Chapel Trail from NW Passage – A request to modify plowing procedures to allow consistent access to a non-groomed path leading down to the Chapel Trails was review on site with SRD, SMCA, IHD, ARC, and SMR representatives. SRD decided at its January Meeting to deny this request because it would encourage pedestrian traffic across the chicken foot at the entry to the main parking lot which would be a safety issue.

Near Term Plans

- i. The SPO Ski access trails committee has been transferred to the SRD. The committee will continue to support the development of community wide ski in / ski out access trails. An SPO based advisory committee will be formed as interest dictates.
- ii. Work with the plowing coordinator, Kent Lawson, to standardize signage to mark sections of roads that require special attention because of adjacent ski access trails. Initial usage is to not push rubble off the road onto the trails. Possible other use would be to indicate trail exits and/or entrances to trails that could be improved and made safer at minimal cost. These changes will have to be approved by the SRD and incorporated into the plowing contracts. Kent will have the onsite plowing review with the current contractor this spring and review these proposed changes.
- iii. Assist in the establishment of an approved trail going from the Schweitzer Creek area down to the Telemark Trail.

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- iv. Work with SMCA and SMR to establish a relationship which will encourage the development and operation of new and existing ski access trails.
- v. Work with SMR to obtain permission to remove a large rock and a dead tree at the Stella end of the Chapel Junction Trail. This will substantially improve the trail terminus.
- vii. Current SRD Ski Access Trails Committee
 - John Oldfield – Chapel Junction trail and Chair
 - Dan Aeschliman – Schweitzer Creek to Telemark Trail
 - Wendy Aeschliman – graphics support for trail maps.
 - Ron Giddings – Access from lower Mogul Hill
 - Mel Bailey – Condo Access trail
- c. Communications
 - i. Email-Kent Lawson

We have about 450 good email addresses. We are continuing our effort to clean up and expand our email addresses. This is an on-going effort. A self-subscribe / un-subscribe page is planned for the SPO Web-site
 - ii. Web-site and database-John Oldfield

The web site is planned to be converted to a PHP format to ease the ongoing maintenance effort. Anyone interested in assisting in this effort is urged to contact John Oldfield. The database project is planned to be completed by early summer. It will use the Bonner County Tax records as a major source of data. Initial work will be to merge the data in our accountant's data base with the tax data.
- d. Transfer Station-Bill Alexander

This is in the planning stage again. Current location is to be by the Fire Station. The Schweitzer Mt. Community would build the site and we are in negotiation with Bonner County to perform the maintenance in consideration of the waste management taxes paid by the community. A straw vote was taken that confirmed that SPO could contribute \$5,000 to the project.

 - i. The Resort and SMCA want to move this forward due to summer trash being dumped in the village area and attracting bears: unsightly, unsanitary, and potentially dangerous
 - ii. The plan would be to have a self-service, year round trash compactor near the Fire Station plus additional dumpsters in the winter. This will require pulling together a cooperative effort of the Resort, SRD, SMCA, The Fire District, Waste Management, Bonner County, and SPO
 - iii. SRD and SMCA currently support financially the winter dumpsters provided by the county
 - iv. The Resort has indicated they will supply a site and an unused compactor
 - v. SMCA has indicated they will provide some additional financial support

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- vi. Bill Alexander is willing to coordinate the effort but could use some help, especially someone familiar with Bonner County administration.
- e. Fire District-Chief Newton
 - vii. Addition to station

A second level is planned to be added to the current station. It will contain 6 studio apartments. This is being done to attract more qualified firemen and EMTs and ensure their availability on a 24/7 basis in the station. This should have the effect of improving our insurance rating from a 5 to a 4 and improve the quality, timeliness, and training level of our service. Currently if your residence is more than 1000 feet away from a fire hydrant following the road, it is rated a 9, if less than 1000 feet it's a 5. The district believes that it can get to a 4 rating if it can attract more qualified volunteers. The availability of the 6 studio apartments should help do this. If a 4 rating is reached our insurance costs should go down.
 - viii. New ambulance

A \$116,000 state EMS grant was received to be used to purchase the ambulance.
 - ix. County EMS services are now supporting the Schweitzer Fire Dept.
 - x. All buildings need to ensure they have the most current street numbers placed on them to aid emergency units to find them. They are to be at least 6 inches high and contrast with the building. Owners should check with the Bonner County Road Dept (208-255-5681) to verify their addresses and not rely on any past documents as they may be changing as well.
 - xi. One Heat detector should be installed in every garage, ESPECIALLY those who use their garage as primary access to and from their units. They are easily installed, no different than a smoke detector, just follow the manufacturer's directions." A CO (Carbon Monoxide) detector should be installed on each level of a unit and are available either by themselves or as a combination smoke and CO detector. All units should be checked monthly and batteries replaced yearly. If you are not sure of the best place to install any detector, please feel free to contact the fire district. (208-265-4741)
 - xii. Bonner Counties Bonfire project is still available to help resident establish fire breaks around resident
 - xiii. The problem parking has been reduced dramatically this past season. The Fire District and Plow Operators are very grateful
- f. Independent Highway District/ARC-Don Hutton

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- i. IHD now owns all the roads in our community that are in the public ROW (Right of Way). They have no jurisdiction over private roads such as the Spires PUD or the side roads in Schweitzer Mountain Side.
- ii. IHD plows the main road up to the main parking lot. They have spent about \$88,000 so far in plowing. The actual plowing is done under contract by Woods Crushing and Hauling.
- iii. The IHD collects from \$225,000 to \$250,000 in taxes from us each year. The amount not used to plow the road is used to resurface the road and do other summer maintenance, such as drainage and ditch work, sweeping the road, guardrail repairs, etc.. Some may put into a reserve plowing fund for a bad snow year. About one mile of road has been repaved to date. Repaving efforts this coming summer will start from where they left off last year above turn 4 and continue uphill till funds are exhausted.
- iv. ARC (Alpine Roads Committee) is an advisory board to IHD. They advise the IHD on how the plowing is going and what needs to be done to the roads to both IHD and SRD.

g. Selkirk Recreation District-Steve Elgar

- i. SRD welcomes its two new directors, Don Hutton and John Oldfield. Suzanne Pattison, a local civil engineer also joined the board as an appointee.
- ii. Levy increase which was to pay for more snow plowing and other things. This basically doubled the amount of taxes paid the SRD.
- iii. Sub-road plowing was allocated almost \$100,000 for this year. SRD feels that one reason drive way plowing costs are down this year is that more emphasis has been placed on removing berms from driveways particularly those on the downhill side of the road that tend to pick up more than their fair amount of road snow.
- iv. Shuttle – The shuttle is a 7 passenger 4-wheel drive van. SRD is getting positive feedback from people using the shuttle. The shuttle is by call and has no fixed route. Business cards with the shuttle contact information are available. The shuttle operates weekends and pickups can be scheduled late at night.
- v. Have a 5 year plan for mountain bike trail development.
- vi. SRD also maintains sub-roads, paving, ditch maintenance, weed abatement. Mogul Hill has two switch backs that are problems for the longer Fire Trucks. These will be rebuilt as funds are available.

11. Proof of quorum, qualifying of proxies, and establishment of voting rights – John Oldfield – Mel Bailey. Mel reported that 224 members or proxies were needed for a quorum. There are 240 members or proxies present. A quorum exists.

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12. Election of Directors

- a. Three positions to be filled, we elect three of nine each year
- b. Board nominations are Roger Bosley and Lyle Hemingway, current directors willing to serve, and Jill Garrett who has agreed to run.
 - i. Don Hutton has declined to run again
 - ii. Jill is an owner in White Pines Lodge and put together the school bus service to the area.
- c. No nominations were received from the floor. The question was asked 3 times. A motion to close nominations was made by Don Hutton and seconded by Bob Landwehr. The motion passed on a voice vote.
- d. John Oldfield moved to accept the nominees by acclamation. Klaus Huske seconded the motion and it passed by voice vote.

13. Old Business

- a. SMR license for snow storage

This potential conflict has been resolved by a new agreement provided by SMR for signing by our plowing contractor and seems to answer SMR's concerns regarding prescriptive easements for snow storage

 - Agreement was reviewed by your Board and approved for signing by our contractor
 - Agreement provides that
 - Storage is permissive by SMR and temporary
 - It covers only the current winter season, must be renewed each year
 - The contractor is responsible for any damage. SPO's agreement with the contractor also states this.
 - Idaho law currently requires 20 years of continuous use to qualify for a prescriptive easement. The property owner can at any time up to then notify the using party(s) that the use of the property is for a limited time only and can be terminated at any time.

14. New Business

- a. The proposed bylaw amendments were emailed out, put on our website, and provided as a handout at check-in
- b. The Board recommended these changes based on our five years of experience with the bylaws and the inefficiencies and difficulties created by them in the conduct of the annual meeting. Currently it's very difficult to establish that a quorum exists and if a paper ballot vote would ever be required it would require significant processing to determine the actual results.
- c. Recommended changes are in Appendix A:
- d. Discussion

It was pointed out from the floor that a legitimate need for proxies still exists. The proposed changes were modified to provide for individual proxies
- e. Klaus Huske moved that the bylaw amendments be accepted as modified. Mel Bailey seconded the motion and the motion passed by voice vote.

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15. A motion to approve actions of the Board for the last year was made by Ev Coulter and seconded by Don Hutton. The motion passed by voice vote.

16. Adjournment

John Oldfield moved that the meeting be adjourned and Don Hutton seconded the motion.

The motion was passed by voice vote and the meeting was adjourned at 5:18 pm.

Minutes submitted by: John Oldfield SPO Secretary

DRAFT

Appendix A. Proposed Bylaw Changes

PROPOSED BYLAW AMMENDMENTS SCHWEITZER PROPERTY OWNERS, INC. ANNUAL MEETING, FERUARY 20. 2011

Article V, Section 7. Association.

-Delete all but the first sentence which defines association and add new sentence: "For an association to participate in services provided by the corporation on a contract basis, all unit owners within the association must be members in good standing."

-Effect. Allows for individual membership by unit owners within multi-unit associations but still requires all unit owners to be members for a multi-unit association to contract with SPO or its contractor for services such as driveway snow plowing or noxious weed treatment. Also eliminates opportunity for one owner to pay the dues for another and then exercise multiple voting rights.

Article V, Section 8.

-Delete this section.

-Effect. Eliminates the automatic proxy to heads of associations from its unit owners.

Article V, Section 9.

-Re-designate as Article V, Section 8.

Article VI, Section 3.

-Eliminate first sentence and replace with: "Notice of meetings of the membership of the corporation, both regular and special, shall be by electronic mail to each member of record, directed to the electronic mail address shown upon the books of the corporation, not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting and the notice shall be posted on the corporation's internet web-site co-incidentally with the electronic mailing."

-Effect. Ends the use of the US Postal Service and saves that cost.

Article VI, Section 4.

-Eliminate the current section in its entirety and replace with:

"Quorum. A quorum for any regular or special meeting of the membership which has been properly called per Article VI, Section 3 shall be those members in good standing present at such meeting."

-Effect. Simplifies and stream lines the conduct of membership meetings and ends the need for proxies as well as emphasizing the importance of members attending such meetings to ensure that their views are heard.

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Article XIV Amendments

-Eliminate the current article in its entirety and replace with:

These bylaws may only be repealed or amended by a vote of the majority of the members present at a regular annual meeting of the corporation when such a repeal or amendment has been specifically included in the notice of that meeting.”

-Effect. Only allows repeal of or amending of the bylaws at the annual meeting and only with notice of the action included in the official notification of the meeting. This is not the case currently. It further emphasizes the importance of attending the annual meeting.

These amendments are recommended by the Board of Directors.

For the Board,
Bill Alexander, President