

MINUTES OF MEETING

SPECIAL BOARD OF DIRECTORS MEETING, BRINY BREEZES INC. (ANNUAL BUDGET)

Wednesday, January 29 2014, 9:00 A.M.

COMMUNITY CENTER

A Special Meeting of the Briny Breezes Inc. Board of Directors was called to order at approximately 9:00 AM on January 29th 2014 by Board President Joe Coyner for the purpose of approving the Budget for Fiscal Year 2013-14.

General Manager Carl Forrest called the roll. Directors Coyner, Malchuski, Koplen, Long, Coppola, Stewart, Gallacher were present at the meeting. Oglesby attended by conference phone link. In the vote for the Reserves Budget, Director Gallacher, who had to leave the meeting early, voted by joining the conference phone link.

President Coyner confirmed that Proof of Notice for the meeting was posted on Thursday, January 9 2014 and witnessed by the General Manager.

The Pledge of Allegiance was recited and a Moment of Silence was observed.

There were no minutes to approve.

Review and Approval of 2013/14 Annual Budget

Treasurer Long moved that the Board approve the Operating Budget and Reserve Funding Budget which includes partial funding of reserves and stockholder assessments for Fiscal Year 2013-14.

After the motion received a second, Treasurer Long began by acknowledging the efforts of her fellow Committee Members Paul Ruopp, Don Faron, Dave Bayless, Paul Stewart and General Manager Carl Forrest (who prepared the initial version of the 2013-14 Budget) who have been working on this proposal since November, 2013. The Treasurer also thanked Directors Coyner, Coppola, Malchuski, and Koplen for their contributions as frequent participants in Committee Meetings.

After describing the process she and her committee employed in developing the proposed budget, the Treasurer read By-Law, Section 7.40 which is the basis for this meeting. She read: "As soon as conveniently possible, but in no event at a time later than February 15th, the Board of Directors shall prepare and adopt an Annual Budget of the expected revenues and expenses of the Corporation for the current fiscal year."

Treasurer Long then presented an overview and highlights/drivers related to the Proposed Annual Budget including Income and Expenses. Treasurer Long noted that she had researched several years of Briny Budgets back to 1992 to gain perspective of the impact of the reduced expenditures during the period that the sale of Briny was moving forward and to consider the historical basis for the proposed increase in expenditure levels for FY 2013-14. Using this

perspective, the Treasurer pointed out that the current proposed Budget increase in expenditures over last year reflects a need to make critical repairs to the Park that were deferred/neglected during the period when the sale of the Park was under consideration.

Several Stockholders made suggestions for modifying the proposed Budget. Ken Gross (N-203) and Eileen Duffy (CD-12) requested a budget increase to clean up around distressed units, re-forest Briny and to hire a part-time grounds keeper to serve as liaison to the Landscaping Committee. Stockholder Don Faron (L-211) asked the Board to work to reduce actual expenditures for line items 518, 519, and 520 (Common Area Landscaping & Maintenance). However, no motions for change to the Proposed FY 2013-14 Budget were forthcoming from the Board of Directors.

Stockholders and Finance Committee Members Dave Bayless (T-211) and Paul Ruopp (N-210) suggested that those who wished to have input to the Budget should attend Finance Committee meetings from November through December of each year rather than waiting until after the Budget is ready for approval in January.

Stockholder and past Town Mayor, Roger Bennett (I-8) explained the reasons for the increases in costs for the Corporation's share of the Police, Fire and Water/Sewer costs.

Treasurer Long called the question on her motion to approve the Proposed Operating Budget for Fiscal Year 2013-14 as presented to the Board (and reflected on Attachment II of these minutes). After receiving a second, the motion carried by a vote of 6 to 2 to with Directors Malchuski and Koplen voting against the motion.

After reviewing the proposed Reserves Funding using a summary of Reserve Account balances, 2012-13 spending, and proposed 2013-14 funding of Reserve Accounts, Treasurer Long made a motion to approve the Reserves Account funding including partial funding of Reserves and shareholder assessments (which were read by the Treasurer at the Request of Director Malchuski) and shown on Attachment III of these minutes. The Board voted 7 to 1 to approve the proposed funding of reserves and assessments as indicated on Attachment III. The dissenting vote was cast by Director Koplen.

Adjournment

Director Long moved to adjourn. The motion received a second and was unanimously approved by the Board. President Coyner adjourned the meeting at approximately 10:36 AM.

Respectfully submitted,

Tom Oglesby
Secretary, Briny Breezes Inc.

Approval Date: 2/12/2014

ATTACHMENT I

NOTICE

**MEETING OF THE BOARD OF
DIRECTORS
BRINY BREEZES, INC.**

ANNUAL BUDGET MEETING

**WEDNESDAY, JANUARY 29, 2014 9:00 A.M.
COMMUNITY CENTER**

AGENDA

- 1. CALL TO ORDER/ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE**
- 3. PROOF OF NOTICE**
- 4. APPROVAL OF PREVIOUS MINUTES**
- 5. REVIEW AND APPROVAL OF 2013/2014 ANNUAL BUDGET**
- 6. ADJOURNMENT**

ALL STOCKHOLDERS WELCOME

**THIS NOTICE IS DATED AND POSTED: TUESDAY, JANUARY
9, 2014, NOON**

Carl Forrest, General Manager

ATTACHMENT II		2012-13	2012-13	2013-14
GL#	Outside Income	Actuals	Budget	BUDGET
4100	Parking Motor Homes/Cars	2,542.00	2,500.00	3,000.00
4101	Lease Rental-Corp Bldg	45,893.00	45,892.00	48,052.00
4102	Indoor/Outdoor Storgage	40,014.00	35,000.00	36,000.00
4103	Administrative Fee	7,095.00	2,500.00	4,500.00
4104	Marina Rental Income	84,209.00	100,000.00	85,000.00
4105	Laundry Income	6,480.00	3,560.00	5,000.00
4106	Certifcate Transfers	1,200.00	500.00	1,000.00
4107	Service Charges	5,055.00	3,800.00	4,000.00
4108	Rental Permit Fees	5,765.00	4,000.00	5,500.00
4109	Bldg. Permit Applications	1,970.00	1,200.00	2,000.00
4110	Misc. Income	2,638.00	2,000.00	2,000.00
4111	Interest on Operating Acct	432.00	500.00	300.00
4113	Blue Book Income			650.00
	Total Outside Income	203,293.00	201,452.00	197,002.00
	Stockholder Income			
4200	Assessment Income, Per Share Basis	1,097,448.00	1,097,448.00	1,184,627.00
4201	Common Expenses, Per Unit, ByLaw 13.10	29,280.00	29,280.00	29,280.00
4202	Cable TV Contract, ByLaw 13.10	152,459.00	151,648.00	159,148.00
	Total Stockholder Income	1,279,187.00	1,278,376.00	1,373,055.00
	TOTAL INCOME		1,479,828.00	1,570,057.00
	EXPENSES			
	Operations			
501	Pool Maintenance - Contract	5,050.00	5,400.00	5,400.00
502	Beach Service Contract	11,145.00	10,620.00	11,250.00
503	Safety/Security Contracts	7,703.00	2,500.00	5,000.00
504	Electricity	31,500.00	35,000.00	35,000.00
505	Propane Fuel	18,397.00	21,000.00	19,000.00
506	Waste Management Contract	16,940.00	12,700.00	15,000.00
507	Annual Land Fill Fees	8,092.00	8,500.00	8,500.00
508	Contingencies	(750.00)	750.00	750.00
509	Cable TV Contract	149,973.00	151,648.00	159,148.00
	Total Operations	248,050.00	248,118.00	259,048.00

ATTACHMENT II, Page 2

Park Facilities

510	Park & Outdoor Maintenance	33,111.00	22,000.00	26,000.00
511	Air Conditioning	1,905.00	3,000.00	3,000.00
512	Roofing	-	3,000.00	8,000.00
513	Building Maintenance	16,150.00	20,000.00	18,000.00
514	Floor Cleaning Bldgs	2,296.00	5,000.00	4,000.00
515	Exterminating	8,493.00	14,000.00	14,000.00
516	Fire Extinguishers	1,818.00	1,600.00	2,750.00
517	Corporate Vehicle Expense	8,273.00	8,000.00	7,000.00
518	Lawn Maintenance Contract	55,500.00	54,000.00	65,000.00
519	Landscape Maintenance	1,843.00	6,000.00	3,000.00
520	Tree Removal & Trimming	11,950.00	3,700.00	10,000.00
521	Irrigation	863.00	1,000.00	1,200.00
522	Signs	2,190.00	1,000.00	1,000.00
523	Electrical Systems	9,452.00	7,000.00	8,000.00
524	Seawall & Drainage Repairs	7,356.00	16,000.00	12,000.00
525	Janitorial Supplies	3,844.00	5,200.00	5,000.00
526	Uniforms	532.00	1,100.00	1,000.00
527	Pool Repairs	965.00	3,200.00	4,000.00
528	Marina	1,315.00	1,500.00	1,500.00
529	Laundry	1,135.00	1,500.00	2,000.00
530	Water Systems	3,464.00	6,000.00	4,000.00
531	Sewer/Drainage Systems	4,733.00	20,000.00	15,000.00
Total Park Facilities Expenses		177,188.00	203,800.00	215,450.00
Administrative		2012-13	2012-13	2013-14
532	Payroll Expense	347,861.00	375,000.00	348,000.00
532.1	Payroll Tax - Employer	27,928.00	-	30,000.00
532.2	ADP Payroll Prep	1,854.00	-	1,850.00
533	Pension Fund	10,269.00	12,351.00	12,351.00
534	Retirement	17,083.00	17,086.00	17,086.00
535	Office Equipment	684.00	1,000.00	2,000.00
536	Equipment Lease/Rental	3,736.00	3,400.00	4,000.00
537	Accounting & Auditing	17,938.00	17,000.00	13,000.00
538	Legal	8,567.00	12,500.00	8,500.00
540	Entertainment General	2,134.00	2,200.00	2,200.00
541	Office Expenses	21,874.00	24,000.00	20,000.00
542	Postage	6,577.00	6,500.00	7,000.00
543	Telephone	14,957.00	12,450.00	12,800.00
544	State License & Fees	2,448.00	2,500.00	2,500.00
Total Administrative		483,910.00	485,987.00	481,287.00

ATTACHMENT II. Page 3**Insurance**

545	Corporate Building Insurance	8,937.00	8,938.00	9,656.00
546	General Liability	6,709.00	10,787.00	9,876.00
547	Umbrella	28,132.00	28,413.00	29,024.00
548	Wind & Flood	71,002.00	72,254.00	73,000.00
549	Marina	13,907.00	13,340.00	13,403.00
550	Corporate Vehicles	2,244.00	2,194.00	2,681.00
551	Directors & Officers (D&O)	5,023.00	5,023.00	7,710.00
552	Workers Comp	11,701.00	11,931.00	12,651.00
553	Employees Group Insurance	24,608.00	37,000.00	39,500.00
	Total Insurance	172,263.00	189,880.00	197,501.00

County & Municipal

554	Corp R/Estate Taxes-Common Property	7,634.00	7,508.00	7,600.00
555	Town Police, Fire, EMS	146,980.00	146,980.00	197,860.00
556	Town Water & Sewer	198,055.00	197,555.00	211,311.00
	Total County/Municipal	352,669.00	352,043.00	416,771.00

TOTAL EXPENSES**1,479,828.00****1,570,057.00****RESERVES****Proposed Reserve Funding**

902	Roads & Drainage	31,406.00	-
903	Buildings	-	31,406.00
904	Seawalls	62,812.00	109,921.00
906	Pool	15,703.00	15,703.00
907	Laundry	2,620.00	2,620.00
908	Yacht Basin	5,312.00	5,312.00
909	Capital Assets (Truck, Tractor, Computers, Tables, etc.)	15,703.00	15,703.00
	Total Proposed Reserve Funding	133,556.00	180,665.00

Reserve Income

4300	Reserve Assessments	125,624.00	172,733.00
4301	Reserve - Laundry	2,620.00	2,620.00
4302	Reserve - Yacht Basin	5,312.00	5,312.00
	Total Reserve Income	133,556.00	180,665.00

Per Share Calculation

Operating Expenses	1,479,828.00	1,570,057.00
Less: Cable TV & Common Expenses	180,928.00	188,428.00
Less Outside Income	201,452.00	197,002.00
Operating Expense Net	1,097,448.00	1,184,627.00
Per Share (15,703 shares)	69.89	75.43
Reserve Assessment	8.00	11.00
Total Per Share	77.89	86.43
2012-13 vs 2013-14 Difference		8.54

Attachment III Reserves Analysis Sheet

2014 ESTIMATED REPLACEMENT FUNDS

	A	B	C	D	E	F
1	RESERVE	BALANCE 10/1/13	PROPOSED ADDITIONS	ACTUAL EXP TO DATE	ESTIMATED EXP BAL YR	ESTIMATED BAL 9/30/14
2	PAINT	\$23,184.00				\$23,184.00
3	ROAD AND DRAINAGE	\$86,425.00			(\$6,000.00)	\$80,425.00
4	ROOF	\$65,088.00				\$65,088.00
5	BUILDING	\$65,636.00	\$31,406.00		(\$25,000.00)	\$72,042.00
6	CAPITAL ASSETS	\$55,069.00	\$15,703.00			\$70,772.00
7	SEAWALL	\$212,916.00	\$109,921.00	(\$102,202.50)	(\$85,000.00)	\$135,634.50
8	POOL	\$48,777.00	\$15,703.00			\$64,480.00
9	YACHT BASIN	\$70,104.00	\$5,312.00		(\$35,000.00)	\$40,416.00
10	LAUNDRY	\$19,341.00	\$2,620.00			\$21,961.00
11	TOTAL	\$646,540.00	\$180,665.00	(\$102,202.50)	(\$151,000.00)	\$574,002.50

2013

	Balance 10/1/12	Additions	Interest Income	Expenses	Transfers	Balance 9/30/13
Paint	\$ 26,493	\$ -	\$ 41	\$ 3,350	\$ -	\$ 23,184
Road and drainage	56,531	31,406	88	1,600	-	86,425
Roof	70,628	-	110	-	(5,650)	65,088
Building	96,498	-	150	-	(31,012)	65,636
Capital assets	43,164	15,703	67	-	(3,865)	55,069
Seawall	205,233	62,812	319	11,448	(44,000)	212,916
Pool	47,243	15,703	73	1,132	(13,110)	48,777
Yacht basin	68,527	5,312	103	1,838	-	70,104
Laundry	18,895	2,620	26	-	-	19,341
	\$ 629,012	\$ 133,556	\$ 977	\$ 19,388	\$ (97,637)*	\$ 646,540